***United States Court of Appeals***

***for the Second Circuit***

# EXHIBITS

# 74-1969-2341-2366

## United States Court of Appeals

FOR THE SECOND CIRCUIT

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IIT, an International Investment Trust, and GEORGES BADEN, JACQUES DELVAUX and ERNEST LECUIT, as Liquidators for IIT, an International Investment Trust,

*Plaintiffs-Appellees-Cross-Appellants,*

—against—

VENCAP, LTD., INTERVENT, INC., INTERCAPITAL, N.V., RICHARD C. PISTELL, CHARLES E. MURPHY, JR., DAVID TAYLOR and HAVENS, WANDLESS, STITT & TIGHE,

*Defendants-Appellants-Cross-Appellees,*

and

WALTER BLACKMAN,

and

ROBERT L. VESCO, MILTON F. MEISSNER, NORMAN LeBLANC and STANLEY GRAZE,

*Defendants.*

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JUN 14 1974

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LIQUIDATION

of the Luxembourg Mutual Investment Fund " I.I.T."

The District Court of and at Luxembourg, first section;

In view of the request filed by the Bank Control Commissioner on November 21, 1973 tending to hear pronounced the dissolution and liquidation of the Luxembourg Mutual Investment Fund " I.I.T.";

Considering that by the decision of June 29, 1973, the Bank Control Commissioner had refused the registration of the"I.I.T" Fund on the list foreseen by article 4, line 1, of the Grand-Ducal Decree of December 22, 1972 having as purpose the control of the investment funds;

Considering that the appeal lodged against this decision by the joint-stock company "Société de Gestion d'un Fonds d'Investissement, en abrégé "I.I.T" ("Management Company of an Investment Fund, in abbreviated form "I.I.T."), presently in state of bankruptcy, has been rejected by a decision of the Minister of Finances on August 24, 1973;

Considering that by letter of October 18, 1973, addressed to the Bank Control Commissioner, the trustee of the bankruptcy of the joint-stock company "Société de Gestion d'un Fonds d'Investissement, en abrégé "I.I.T." has renounced any appeal against the decision of refusal of registration of the "I.I.T." Fund on the Official List of Investment Funds;

After investigation of the request in council chamber, in the presence of his Honor the District Prosecuting Attorney and upon his conclusions;

The personal explanations of the claimant having been heard and the observations and grounds of his attorney Maître André ELVINGER;

In view of article 5, line 2 of the Grand-Ducal Decree of

December 22, 1972 having as object the control of investment funds;

After having deliberated in conformity with the law;

FOR THESE REASONS ,

the court, first section, sitting in civil matters, adjudicating in public hearing, the District Prosecuting Attorney having been heard,

accepts the request in its form;

pronounces the dissolution and liquidation of the Luxembourg Mutual Investment Fund "I.I.T.";

names the liquidators:

1) Maître Georges BADEN, attorney at law,

2) Maître Jacques DELVAUX, attorney at law,

3) Mr. Ernest LECUIT, certified public accountant,

the three residing in Luxembourg, with the mission to proceed to the liquidation of the Luxembourg Mutual Investment Fund "I.I.T.";

stating that the liquidators may gather all information and consult third persons;

stating that in case of impediment, refusal or delay the liquidators will be replaced on demand filed with the President of the seat of the court;

stating that the liquidators will take oath to fulfill their functions properly and faithfully before the same magistrate;

stating that the liquidators will draw up an inventory of the properties, securities, credits and assets of any nature making up the estate of the Mutual Investment Fund "I.I.T." , without distinction as to their place of deposit or situation in the Grand-Duchy of Luxembourg or abroad;

stating that the liquidators will settle and realize these

properties, securities , credits and assets and will distribute the proceeds in one or several blocks according to the respective rights of the shareholders;

stating that the liquidators may , in view of the realization of this purpose, receive all payments, give release with or without receipt, realize or dispose by way of sale, exchange or otherwise, all the securities and other assets belonging to the fund, endorse all securities and commercial drafts, to deal or compromise on any dispute, realize any real estate or security guarantees in relationship to any credit belonging to the Fund, and in a general manner, to take all necessary or simply useful steps in the realization and distribution of the assets of the Fund;

stating that the liquidators may institute and support all proceedings and suits before any court of law in the Grand-Duchy of Luxembourg and abroad which seems to them necessary for the protection of the interests of the shareholders or for liquidating or realizing or taking into possession any properties, securities, credits and assets making up the estate of the Mutual Investment Fund "I.I.T." or which are owing to the Fund or to the shareholders;

stating that the liquidators will also have the power of defense in any trial, proceedings and suits instituted be it against them in their capacity as liquidators or against the Mutual Investment Fund "I.I.T." , and to pursue, as claimant as well as defendant , and to intervene in any trial , proceedings and suits now pending or in the future before any court of law, as well as to exercise any means of appeal against all judgements , court orders or other decisions rendered or to be rendered in all litigations , proceedings and trials, whether in Luxembourg or abroad , and this in so far as the liquidators will judge this defense, pursuit,

intervention and appeal , necessary or useful to the protecti: of the assets of the Mutual Investment Fund "I.I.T." and of interest of the shareholders;

stating that the liquidators may , to the extent that they will judge necessary, have recourse to the services of all attorneys , agents or collaborators in view of preserving and keeping the books, registers and archives of the Mutual Investment Fund and in view of preserving and realizing the assets , and to take all other measures that appear to them to be in the interest of the Fund and of its shareholders;

stating that all expenses incurred to this end and purpose by the liquidators will be to the charge of the assets of the Fund;

stating that the liquidators are authorized to name as their representative or to confer special powers and delegate specified tasks to all public or official authorities as well as to all qualified persons in the Grand - Duchy of Luxembourg or abroad in view of taking material or juridical possession of all or part of the estate of the Fund and of all documents, registers, books and papers so specified and in view of asking and obtaining the payment of all sums , assets or amounts due, reverting to or belonging to the estate of the Fund;

stating that the liquidators may settle and pay the remunerations and expenses of these representatives or agents;

stating that the liquidators will execute their decisions and will act with respect to third parties and all institution and jurisdictions , except special delegation for specified acts , under the signature of two liquidators, without having to justify with regard to third parties their previous decision in group;

stating that every three months and each time the

circumstances will require it , the liquidators will present to the court a written report on the results of their administration; stating that these reports may be printed and placed at the disposition of the shareholders or published in certain newspapers at the expense of the assets of the Fund, according to the conditions that the liquidators will judge adequate;

stating that the expenses and fees of the liquidators will be at the charge of the assets of the Fund;

stating that after completion of their work, the liquidators will make a written report to the court concerning the results of the liquidation, submitting the accounts and placing at its disposition the supporting evidence;

stating that the liquidators will submit to the court a request seeking to establish the completion of the liquidation and giving discharge to the liquidators, which request will be adjudicated, the District Prosecuting Attorney having been heard in his conclusions;

stating that the adjudication of the completion of the liquidation will be published at the charge of the assets of the Fund according to the conditions to be determined in the decision of completion,with the indication as to the place where the books and documents of the Fund and of the liquidation should be deposited and safeguarded during at least five years, as well as the measures taken in view of the deposit of sums and securities reverting to the shareholders and of which the payment would not have been made;

stating the present adjudication enforceable on the original deed, before the registration and without bail;

placing the costs to the charge of the"I.I.T." Fund;

stating that the present judgement will be published entirely in the part C of the "Mémorial"(Official Gazette), and by excerpts in the following newspapers: Luxemburger Wort, Frankfurter Allgemeine, Handelsblatt, Neue Zürcher Zeitung, International Herald Tribune and the Financial Times;

Thus done and judged in public hearing, Tuesday, December eighteenth,one thousand nine hundred and seventy-three, where having been present Messrs:

Albert WEITZEL, Vice-President

Arthur BIEWER, Judge First-in-rank and
Gérard REUTER, Judge,
Emile PENNING , First Deputy District
Prosecuting Attorney,
Armand GLATZ, Recorder.

signed: A. WEITZEL GLATZ

True certified copy
Luxembourg, January 24, 1974
The Chief Recorder
signed: Albert DHUR

Stamp: District Court of Luxembourg

Seen for the legalization of the signature of
Mr. Albert DHUR
heretofore affixed
Luxembourg, January 24, 1974.
The President of the Court,
signed: Harold JACOBY

Stamp: District Court of Luxembourg

True certified translation into English from the original French text.

Bereldange, January 27, 1974.

PETTINGER Aloyse
Sworn translator and interpreter
to the Superior Court of Justice
of and at Luxembourg.

Vu pour légalisation de la signature
de Mme Pettinger
apposée ci-contre
Luxembourg, le 28 JAN 1974
Pour Le Président du Tribunal,
(R. SPELLER)

21/14

1007A

Vu au Département des Affaires Étrangères
pour légalisation de la signature de
M. Rob SPELLER

apposée sur le présent acte.

Luxembourg, le 28 JANVIER 1974
Pour le Ministre des Affaires Étrangères,

Robert DIEUR
Inspecteur

Grand Duchy of Luxembourg
City of Luxembourg
Embassy of the United States of America } ss

I, John F. HOWLEY Consul of the United States of America at Luxembourg, Grand Duchy of Luxembourg, duly commissioned and qualified, do hereby certify that Robert DIEUR whose true signature and official seal are, respectively, subscribed and affixed to the foregoing document was, on the 28th day of January, 1974, the date thereof Inspector in the Luxembourg Ministry of Foreign Affairs duly commissioned and qualified, to whose official acts faith and credit are due.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Consular Service of the United States of America at Luxembourg, Luxembourg this 29th day of January, 1974.

John F Howley

JOHN F. HOWLEY
Consul of the United States of America

1008A

CERTIFICATE RE: NON-APPEAL AGAINST A FINAL JUDGEMENT

I, the undersigned Albert DHUR, chief recorder with the District Court of and at Luxembourg,

do hereby certify

that, in the register held at the registry office of this Court in conformity with articles 163 and 549 of the Code of Civil Procedure, neither a notation of opposition nor of appeal against the judgement dated December 18, 1973 and handed down by the District Court of and at Luxembourg, first section, sitting in civil matters, in connection with the case pertaining to

the request filed by the Bank Control Commissioner on November 21, 1973 tending to hear pronounced the dissolution and liquidation of the Luxembourg Mutual Investment Fund "I.I.T",

which judgement has pronounced the dissolution and liquidation of the Luxembourg Mutual Investment Fund "I.I.T." and appointed the liquidators Maître Georges BADEN, attorney at law, Maître Jacques DELVAUX, attorney at law and Mr. Ernest LECUIT, certified public accountant, the three residing in Luxembourg, with the duty to proceed to the liquidation of the Luxembourg Mutual Investment Fund "I.I.T." , the more detailed information pertaining to this duty being recorded in the writ of injunction of the said judgement.

IN WITNESS WHEREOF this document has been certified and issued as patent by the registry office of the District Court of and at Luxembourg, this 31st day of January, 1974.

signed: Albert DHUR

Stamp: District Court of Luxembourg.

True certified translation into English from the original French text.

Béreldange(Luxembourg), February 7, 1974.

PETTINGER Aloyse

Sworn translator and interpreter
to the Superior Court of Justice
of and at Luxembourg.

Vu pour légalisation de la signature
de M. PETTINGER Aloyse
apposée ci-avant.
Luxembourg, le 8 FEV 1974
Le Président du Tribunal.

Harold JACOBY

62/74

Vu au Département des Affaires Etrangères
pour légalisation de la signature de
M. HAROLD JACOBY
apposée sur le présent acte.
Luxembourg, le 12 FEVRIER 1974
Pour le Ministre des Affaires Étrangères,

Marcel WEYLAND
Inspecteur

For the ... signature of ...
This twelfth ... February 1974, at Luxembourg.

... Consul

JF Exhibit 1
9-26-72
Cmd

**Plaintiffs' Exhibit 2**

PLAINTIFF
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
#21
JUN 14 1974

421 in

MARCH 31, 1970

1010A

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## INTRODUCTION

A mutual fund, known in some countries as an investment trust, is today acknowledged by millions of investors throughout the world as a method of investing for long-term growth of capital. A great number of people contribute large and small amounts of capital to a pool of monies which is then invested by professional investment advisors in a widely diversified portfolio of securities.•

*IIT, an International Investment Trust,* is an open-end mutual fund, organized as a unit investment trust under the laws of the Grand Duchy of Luxemburg. It is an internationally-oriented fund which offers each investor an opportunity to participate in the long term economic growth of the free world.

## THE PRINCIPAL ADVANTAGES OF MUTUAL FUNDS

### Professional Management

Qualified professional investment counsel is not available to most investors because of the high costs of managing an individual account of world-wide investments, and because of the great distances that may separate an investor from centers of finance and money management. Mutual funds have the advantage of being managed and continuously supervised by professional investment advisors. By sharing costs proportionately, mutual fund investors can afford expert management, regardless of the size of their individual accounts.

### Diversification

The money an investor places in IIT is invested in a wider range of securities than most investors would be able to acquire in their own portfolios. The investor thus benefits from the time-honored principle of diversification of risk. Diversification is one of the cardinal principles of sound investing.

### Convenience

IIT shares may be freely bought and sold at a single world-wide price which is determined on each business day. Each share represents an equal and proportionate interest in the Fund's assets and, at any time, the investor may buy additional shares or redeem some or all of the shares he owns.

• Millions of investors in more than 135 countries now own shares in investment funds with assets exceeding $64 billion.

All time-consuming details of bookkeeping are handled for the investor.

**Inflation Hedge**

The daily effect of inflation goes almost unnoticed; the cumulative effect has been substantial in most countries. Although no one can say for certain what will happen during the next ten, fifteen, or twenty years, the past has shown that the real value of money – its purchasing power – has tended to be reduced by inflation. As a result there has been inherent risk of value-loss in holding cash or fixed-income investments over the long term. While money has tended to lose its value, shares of IIT have tended to show significant rates of increase, thus providing a substantial hedge against the basic inflationary trend.

## INVESTMENT POLICY AND AIMS

Most mutual funds tend to concentrate their investments in one country. Increasingly, economic growth has been international and by no means restricted to one or two countries.

IIT Management seeks to invest in shares of companies throughout the world which offer potential profit. The Fund's world-wid professional management carefully studie a wide range of economies and concer trates investments in those situations whic appear to offer the most favorable opportu nities for appreciation of capital. IIT Man agement tries to take a large enough posi tion in each situation so that any increas in the value of a company's shares ma result in an accompanying increase in th value of the Fund shares. This concept i known as *aggressive diversification.*

*The primary investment objective of IIT is to provide long-term capital growth and thereby build a source of future income.*

## INVESTMENTS IIT MAY MAKE

It is provided in the Regulations for the Fund, approved by the Luxemburg Government, that the Fund may invest in:

1. Securities listed on recognized stock exchanges in all European Free Trade Association (EFTA) and Common Market (EEC) countries, the United States of America and Canada.
2. Listed securities on other stock exchanges throughout the Free World.

3. Special or local investment situations which, after a thorough examination, appear to involve sensible risk and unusually high profit potential.

**Provided:**

At least 50% of the Fund's invested assets consist of securities which are listed on recognized stock exchanges in Austria, Belgium, Canada, Denmark, France, Great Britain, Holland, Italy, Japan, Luxemburg, Norway, Portugal, Sweden, Switzerland, the United States of America or West Germany, and

At least 75% of the Fund's assets are held in cash or invested in securities for which there is a ready and active market; no more than 5% of such assets are invested in the securities of any one issuer; no more than 10% of the voting securities of any one issuer are acquired; and, no more than 2½% of the Fund's assets are invested in the securities of any one issuer, where there is no ready market for such securities.

The Fund has adopted important restrictions for the protection of its investors, the most important of which are that the Fund may not:

1. Borrow money

2. Purchase any securities on margin

3. Sell securities short

4. Lend any of its assets (except by the purchase of government, corporate, or municipal bonds)

5. Invest its assets in any security for the purpose of obtaining or exercising control or influencing the management of any company.

The above limitations are merely a restatement of what would normally constitute prudent investment policy. The Fund's managers should be able to comply with these limitations and still provide flexible investment management.

## WHO MANAGES IIT

I.I.T. Management Company, S.A., a Luxemburg corporation, manages and administers the Fund. The Management Company is wholly owned by Investors Overseas Services Management Limited (80% owned by I.O.S., Ltd.) and maintains statutory offices at the Banque Internationale à Luxembourg in Luxemburg.

The officers and directors of I.I.T. Management Company, S.A. are:

C. Henry Buhl III, Chairman of the Board of Directors; Joop Melse, President and Director; Edward M. Cowett, Vice President and Director; Mel Rosen, Executive Vice President; John Kesselstatt and Henry Von Maur, Vice Presidents; Jay F. Leary, Secretary; Melvin N. Lechner, Treasurer; Count Carl Johan Bernadotte, Martin Brooke, Bernard Cornfeld, Beat Notz, James Roosevelt, Directors. Pierre A. Rinfret acts as special economic consultant.

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**Mr. Buhl** is President and a Director of IOS Venture Fund (International) N.V. and its Management Company and of Investors Overseas Services Management Limited. He is also a Director of The Fund of Funds, Limited, and of I.O.S., Ltd. From 1952 to 1961, Mr. Buhl was associated with a large New York brokerage firm and in 1958 was elected Vice President in charge of their foreign department.

**Mr. Melse** who is the Manager of the non-U.S. portion of the Fund's portfolio, joined IOS in 1966. Mr. Melse has had extensive experience as a securities analyst with the Argus Research Corporation and with a large member firm of the New York Stock Exchange.

**Mr. Cowett** has been associated with IOS since 1958. He is President and a Director of I.O.S., Ltd., and Vice President and a Director of Investors Overseas Services Management Limited. He is an Officer and/or Director of the following publicly-held mutual funds and their Management Companies: The Fund of Funds, Limited; The Fund of Funds Sterling Limited; Investment Properties International, Ltd.; I.O.S. Venture Fund Ltd; and I.O.S. Regent Fund Ltd. He is a recognized authority on securities law and is co-author of one of the definitive reference books on the subject.

Mr. Rosen is Vice President of IOS Venture Fund (International) N.V. and its Management Company, and is a Director and Vice President of I.O.S. Sterling Management Company Limited, the Management Company of The Fund of Funds Sterling Limited. Prior to joining IOS in 1968, he was associated with two leading New York investment firms.

Mr. Kesselstatt joined IOS in 1966. He was previously a research analyst with the firm of Lehman Brothers in New York, and was also economic advisor to the United Nations Technical Assistance Program in Africa and Asia.

Mr. Von Maur, a member of a prominent American family in investment banking, is a leading specialist in portfolio analysis. A graduate of Yale University, Mr. Von Maur has an in-depth knowledge of the United States economy and money market. Before joining IOS in 1969, he was the Portfolio Manager of C.V. Starr Company, an international holding company.

Mr. Leary is an attorney, formerly associated with the firm of Willkie Farr & Gallagher in New York. He is also Secretary and a Director of IOS Venture Fund (International) N.V. and its Management Company, and Secretary of I.O.S. Sterling Management Company Limited and of The Fund of Funds Sterling Limited.

Mr. Lechner is Treasurer of I.O.S., Ltd. and has been affiliated with IOS since 1966. A graduate of Columbia University with a degree in economics, he also holds a Master's Degree in Business Administration from New York University. Mr. Lechner was associated with the firm of Arthur Andersen & Co. before joining IOS, and has also served on the Advisory Committee of the Controller of the City of New York.

Count Carl Johan Bernadotte is the youngest son of King Gustav VI Adolf of Sweden and is presently Chairman of the Board of Sundstrand Hydraulic AB, Sweden, and Sundstrand International Corporation, with Headquarters in Paris. Count Bernadotte is also a Director of I.O.S., Ltd.

Mr. Brooke, a well-known British financial expert, is a Director of Guinness Mahon and Co. Ltd., the noted London merchant bank, and is a Director of I.O.S., Ltd. He is also portfolio advisor to The Fund of Funds Sterling Limited. Mr. Brooke is a graduate of Magdalen College, Cambridge.

Mr. Cornfeld is Founder and Chairman of I.O.S., Ltd. and a Director of Investors Overseas Services Management Limited. Mr. Cornfeld also serves as an officer and/or Director of the following mutual funds and their Management Companies: The Fund of Funds, Limited; Investment Properties International, Ltd.; IOS Venture Fund (International) N.V.; and The Fund of Funds Sterling Limited.

Mr. Notz is President and Director of several Swiss and French companies, including Promofina S.A. in Geneva, Switzerland, and is Treasurer of the Swiss Chamber of Commerce in Paris, France. From January 1962 to May 1963, he served as Vice-President of Lehman Brothers International.

Mr. Roosevelt, eldest son of the late U.S. President, served for eleven years in the United States Congress as a representative from California. In 1965, he was appointed U.S. Representative to the United Nations Economic and Social Council where he did considerable work in economic and industrial development. Mr. Roosevelt is a Director of I.O.S., Ltd., Investors Overseas Services Management Limited and of the following mutual funds and their Management Companies: The Fund of Funds Limited, Fonditalia, The Fund of Fund Sterling Limited and Investors Fonds.

Mr. Rinfret is one of the foremost econo mists in the United States. He is Presiden of Rinfret-Boston Associates, Inc., Nev York City, economic and financial consult ants. Mr. Rinfret was associated witl Lionel D. Edy & Co., Inc. from 1951 t 1966, and served as Chairman of its Boar of Directors from 1964 to 1966.

Since 1962, when present management as sumed direction, I.I.T. Management Com pany has been assisted by an internationa Advisory Board of economists, industrial ists, and bankers. This Board includes rep resentatives from Tokyo, Milan, New York Madrid, Paris, Amsterdam and London, an has correspondents in Frankfurt, Geneva and Montreal.

The Advisory Board serves in an advisory capacity only; it does not perform any management, supervisory or investmen functions; and it is not responsible for the securities bought or sold, or for the Fund's performance. These areas are entirely the responsibility of I.I.T. Management Com pany.

## OPERATING PROCEDURES AND MANAGEMENT REMUNERATION

For managing the Fund and performing certain administrative services, I.I.T. Management Company receives as its only compensation from IIT, a monthly fee of 1/12th of 1% of the Fund's average total net assets for the month (the fee is equivalent to 1% of the average value of such assets on an annual basis). All compensation paid to the Advisory Board for rendering investment advice is paid by I.I.T. Management Company.

The Management Company supervises all phases of the Fund's activities, including the review, purchase and sale of portfolio securities; furnishes investment management; and in conjunction with IOS, provides the office space, accounting and administrative staff and facilities required to conduct the business of the Fund.

The Fund does not bear any of the sales, promotion or advertising costs relating to the continuous distribution of its shares. These costs, as well as the cost of printing this Prospectus, are borne by IOS.

The Fund pays normal operating expenses not assumed by the Management Company, including applicable taxes, auditing fees, and printing and mailing of stockholder reports, in accordance with precedent set by United States mutual fund practices. I.I.T. Management Company has agreed that, if the total of these normal operating expenses (excluding the management fee and taxes) exceeds 1% of the average market value of the net assets of the Fund for any full fiscal year, the Management Company will refund to the Fund or bear such excess over 1%. No Officer or Director of the Management Company receives any salary, director's fee or compensation from the Fund. Such payments are assumed by the Management Company.

## BANKS WHICH SERVICE THE FUND

Recognized financial institutions, in cooperation with the Fund and IOS, perform the day-to-day banking services required to help administer the affairs of the Fund.

Crédit Suisse, Zurich, Switzerland, is Depository of Cash for the Fund. As such, Crédit Suisse serves as custodian for the cash account of the Fund; receives bank

transfers for investment into the Fund and proceeds on the sale of portfolio securities for the account of the Fund; places time deposits for the Fund in the name of the Bank, but on instruction and at the risk of the Fund; makes payments directly from the Fund's account to authorized securities dealers for investments acquired for the Fund's portfolio; and disburses cash to pay proper expenses of the Fund's operations. As of December 31, 1969, Crédit Suisse had total assets of Swiss Francs 20.9 billion ($ 4.8 billion).

*Banque Internationale à Luxembourg*, of Luxemburg, acts as Transfer Agent and Registrar for the Fund. Founded in 1856, it is the largest private bank in Luxemburg. The Transfer Agent performs the bookkeeping and administrative services for the issue and delivery of shareholder certificates. It ascertains that stock certificates issued and received are in valid form for transfer, completes such transfers, and maintains the required shareholder records. Some of these functions have been delegated to Crédit Suisse, Zurich.

*Montreal Trust Company* in Toronto, Ontario, Canada is Custodian of Securities for the Fund portfolio and is, on the basis of daily record keeping, constantly able to verify the Fund's securities holdings and new deliveries of shares or receipts for securities acquired for the Fund portfolio. Montreal Trust Company was founded in 1889 and has 25 branch offices located in all Canadian provinces, in London and in Nassau, the Bahamas. As of December 31, 1969, Montreal Trust Company had total assets under administration in excess of Canadian $4.6 billion.

The financial institutions serving the Fund have been selected on the basis of: (1) their financial stability; (2) the quality of their services; and (3) their ability to render such services under favorable tax circumstances for the Fund and its investors. Banking responsibilities have been decentralized to obtain maximum efficiency and administrative flexibility. All of the institutions are subject to the banking laws of their respective countries.

To further ensure maximum protection of investor accounts, a system of safeguards and checks and balances has been carefully developed by the banks, the Fund, and IOS. This includes a daily exchange and cross-reference (interchange) of complete information relating to the purchase or sale

of portfolio securities, issuance and/or liquidation of Fund shares, safekeeping of cash assets, and the daily net asset value computation. All information regarding investor accounts is held in strictest confidence at all times.

All of the Banks are remunerated for their services by IOS or the Fund, and their responsibilities are purely administrative. They do not perform any management or investment functions; and they are not responsible for the investment quality of the securities bought or sold, or for the performance of the Fund.

## HOW TO INVEST IN THE FUND

Shares may be acquired conveniently through The IOS Investment Program. A wide range of investment programs and account registrations are offered to suit varying individual and institutional investor needs throughout the world. The IOS Investment Program was especially developed for people of any nationality who want to put surplus money, in any amount, to work for the future – for those who are interested in planning for tomorrow. The Program is a computer-oriented custodial bookkeeping service under which Fund shares are bought, sold, and held for safekeeping.

For *initial investments,* all checks, bank drafts and money orders for the purchase of Fund shares should be made payable to:

Crédit Suisse, Zurich, Depository
and sent to:*

Investors Overseas Services Limited
(Bahamas)
Executive Headquarters
119 Rue de Lausanne,
1211 Geneva, Switzerland
Attention: Processing Dept.

*Subsequent investments* by check, bank draft and money order should also be made payable to: Crédit Suisse, Zurich, Depository but sent with the "Next Investment Stub" which is attached to the IOS Investment Program Investment Confirmation, to:*

IOS Processing Department
P.O. Box 48
1211 Geneva 21, Switzerland

*However, bank transfers must be directed to Crédit Suisse, Zurich, in favor of The IOS Investment Program. If possible, mark the Program account number.

For ease of handling, investments in freely convertible currencies other than U.S. Dollars should be made payable to *Investors Overseas Services.*•

Shares of the Fund are continuously offered and repurchased on the basis of the net asset value (share price) as determined each business day. The share price varies with the fluctuation in the market value of the investment securities and other assets of the Fund, less liabilities, and is equal to the total net assets of the Fund divided by the number of shares outstanding. As of December 31, 1969, the share price was $8.85, an increase of 151%•• from the October 15, 1962••• price of $3.53, computed as follows:

| | *October 15, 1962* | *December 31, 1969* |
|---|---|---|
| Total net assets | $3,651,200 | $704,102,500 |
| Shares outstanding | 1,034,347 | 79,600,667 |
| Net asset value per share | $3.53 | $8.85 |

• All such investments will be converted into U.S. Dollars by IOS at the rate of exchange in effect in Switzerland at the time of conversion, and the proceeds will be transferred to Crédit Suisse, Zurich for credit to the Fund's account.

••With net dividend and interest income, and capital gains (securities profits) retained and reinvested, and reflected in the equivalent increased value of the shares. These results should not be considered a representation of investment results or capital gain or loss which may be realized by an investment in the Fund today.

•••Date first offered under *The IOS Investment Program.*

Shares may be purchased with and redeemed in U.S. Dollars or any other currency freely convertible into or from U.S. Dollars. Shares of the Fund are neither offered for sale nor sold to U.S. citizens or U.S. residents.

Details on Dutch Guilder, £ Sterling, Canadian Dollar, German mark, Italian Lire, and Swedish Crown investments can be obtained from IOS.

## ACQUISITION CHARGES

Acquisition costs generally range from ½ of 1% to 8½%, depending upon the amount invested and the type of Program selected. After deduction of acquisition charges, the net proceeds are used to purchase full and fractional Fund shares at the then current share price for the investor's Account.

The following Table of Acquisition Charges applies to the face amount of all Fully Paid

Program (lump-sum; cash) investments by or for: (a) an individual, or an individual, his wife and children (regardless of age); (b) a company, corporation or other bona fide business entity; or (c) a trustee or other fiduciary acting for a pension fund, profit-sharing or other employee benefit plan.
The schedule of charges shows the cost of purchasing Fund shares; no charge is made for complete liquidation of shares owned.

Acquisition charges on investments totaling $10,000 or more may be further reduced by use of a Letter of Intent or the Accumulation Privilege as described in the current Prospectus for The IOS Investment Program which also contains full details on all Programs (including 120- or 180-unit (10- or 15-year) Capital Accumulation Programs with optional Program-completion life insurance protection).

## HOW TO REDEEM FUND SHARES

At any time following the final clearance of remittances for initial and/or subsequent Program investments, investors may redeem their Fund shares, in whole or in part, at 100% of the share price in effect on the day of redemption. The Program Certificate must accompany a signed letter of instruction to IOS when a request for complete redemption is made.

TABLE OF ACQUISITION CHARGES

| *Per cent Acquisition Charge* | *Discount from Maximum Charge* | *Face Amount of Investment in U.S. Dollars (or equivalent in a freely convertible currency)* |
|---|---|---|
| 8½% | 0 | Under $10,000 |
| 7½ | 1% | $10,000 and less than $25,000 |
| 6 | 2½ | $25,000 and less than $50,000 |
| 4 | 4½ | $50,000 and less than $100,000 |
| 3 | 5½ | $100,000 and less than $250,000 |
| 2 | 6½ | $250,000 and less than $500,000 |
| 1 | 7½ | $500,000 and less than $1 million |
| ½ of 1% | 8% | $1 million or more |

Upon receipt and verification of instructions , IOS will redeem the Fund shares at the next regular processing and remit the proceeds by cashier's check, in U.S. Dollar or any other freely convertible currency requested (e.g., Swiss Francs, German Marks, etc.) regardless of the currency of the original investment(s).

The Fund may, when it is deemed to be in the best interests of all investors, and in accordance with the Fund's Regulations, temporarily defer sales and/or redemption of its shares during any period when:

1. An extraordinary circumstance exists which makes disposal of portfolio securities and/or valuation of the Fund's net assets incompatible with the best interests of the shareholders.

2. A breakdown in communications exists, making valuation of the Fund's portfolio impossible.

3. Trading on a recognized security exchange on which a significant portion of the Fund's securities are listed, is restricted.

At all other times, however, the obligation of the Fund to redeem its shares is mandatory. For details of the different types of redemptions available, see the current IOS Investment Program Prospectus.

## DIVIDENDS, PROFITS AND TAX STATUS

The Fund makes no current distribution but, instead, retains all of its net dividend and interest income, and capital gain (securities profits), which are reinvested and are continously reflected in the equivalent increased value of each share

The fact that the Fund does not make current distributions serves as a cost-saving feature for the Fund, and in addition, there is generally no tax payable by the investor on income received, realized or retained by the Fund. If shares are redeemed, there will normally be no tax liability except for ci

*In order to safeguard Programholder interests, redemption instructions directing proceeds to a person(s) other than the Programholder(s) will normally require an accompanying signature guarantee of: a commercial bank having a correspondent or branch in New York City or Switzerland; or a United States Embassy or Consulate the Embassy or Consulate of a Western European country; or an IOS General, Divisional, or Regional Manag

zens or residents of those few countries which impose a capital gains tax.

The only tax payable by the Fund under Luxemburg law is a nominal annual tax equal to 6/100ths of 1% ($6.00 per $10,000) of its net assets. In 1969, the total of taxes due by the Fund to Luxemburg was $385,200.

Certain countries require taxes to be held from dividends and interest at the source of payment, and in such cases, the tax is deducted from such payments before they are received by the Fund. However, since the primary investment objective of the Fund is long-term growth of capital, the dividend yield on growth-type securities in the Fund's portfolio is relatively low, and the tax on income will ordinarily be of limited importance in the investment results of the Fund.

## INVESTOR REPORTS

It is the policy of the Fund to airmail Quarterly Reports to its Programholders (Annual and Semi-Annual Reports are audited) and other reports of general significance. These Reports include a list of the Fund's portfolio of investments and their cost and market value, and follow the pattern of reports issued by United States investment companies.

*Arthur Andersen & Co.*, one of the largest independent public accounting firms in the world, acts as the Auditors for the Fund. Its examinations of the financial statements of the Fund are made in accordance with auditing standards generally accepted in the United States. In connection with these examinations, Arthur Andersen & Co. confirms certain assets, such as cash, securities, and receipts for securities held by banks, by direct communication with the third parties involved, and applies such other auditing procedures as it considers necessary in the circumstances.

For the convenience of Programholders, leading publications, including the International Herald Tribune, regularly carry the share price of the Fund. Quotations of the share price in U.S. Dollars appear in advertisements in regional editions of Time, Newsweek and Visión, and are regularly available to other leading publications through the world-wide services of *The Associated Press, Reuters* and *United Press International.*

## DISTRIBUTION AND GENERAL INFORMATION

*Investors Overseas Services Limited ("IOS")*, distributor of the Fund's shares, is the largest mutual fund and investment program distributor specializing in the international market, with nearly 1 million clients located in more than 100 countries. It is incorporated in the Bahamas, is a wholly-owned subsidiary of I.O.S., Ltd. and maintains its executive headquarters in Geneva, Switzerland. It has over 250 regional sales and administrative offices elsewhere in the world.

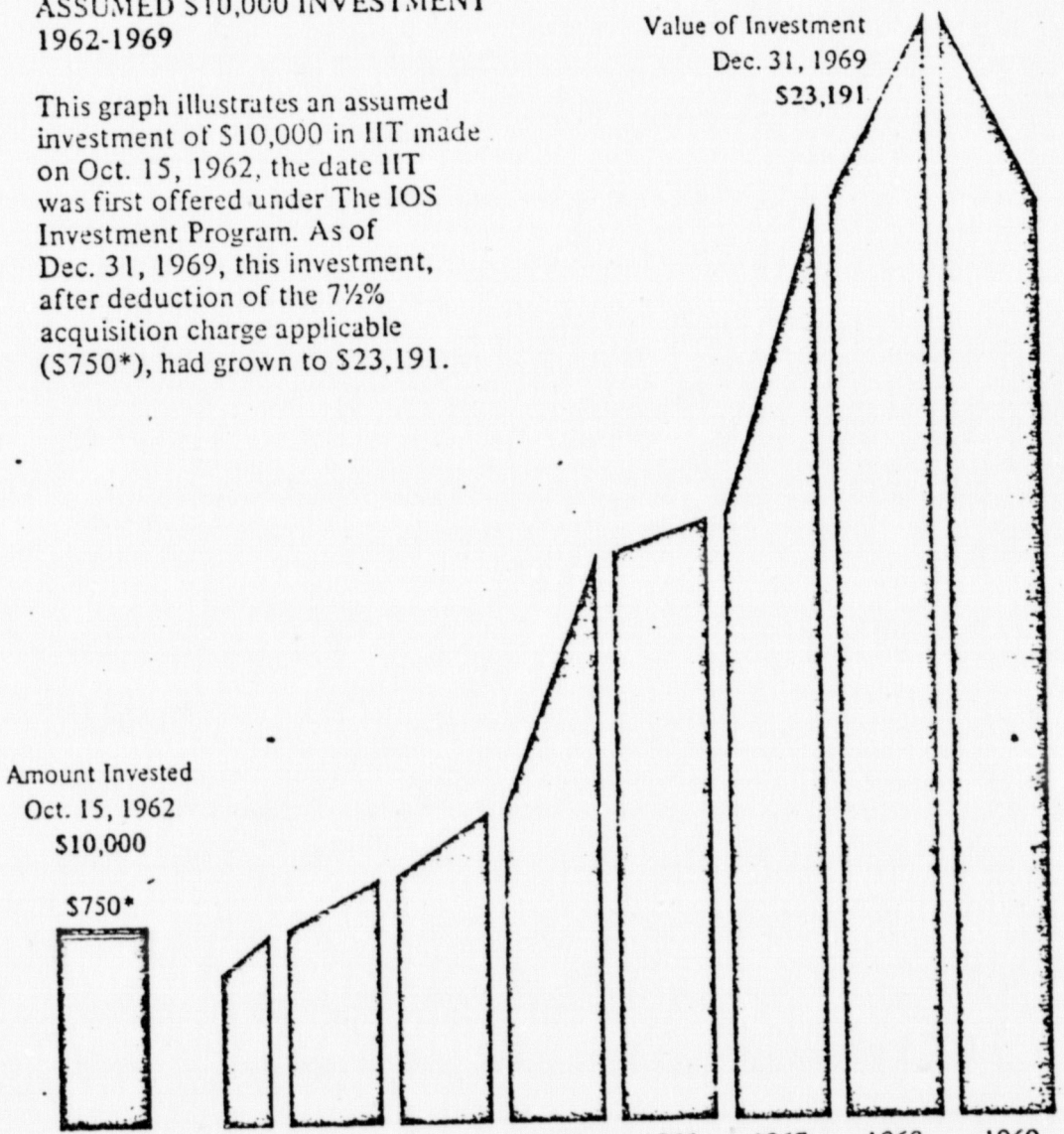
Full details on all Programs can be supplied by any of the more than 15,000 IOS Associates located in most parts of the world. IOS Associates are prepared to render personal service to individuals or companies in many languages. IOS reserves the right to accept or reject Applications for the purchase or transfer of Fund shares and/or Programs.

As Sponsor and Distributor of the Fund's shares, IOS will retain a portion of the acquisition charge applicable under The IOS Investment Program. Purchases and sales of securities for the Fund's portfol may be handled by stock exchange memb firms, merchant banks or recognized secu ties broker-dealers, who share in customa commissions, if any, relevant to such trar actions.

Prospectuses, Quarterly Reports, and oth information on IIT are generally availab in English, Dutch, French, German, Italia and Spanish. Where this Prospectus or r lated sales literature has been translate from English into another language, and a result, there is any question of interpret tion, the English Prospectus of most recer date will be the final reference, excep when specific local exceptions to the off cial English text are approved in writing b IOS or I.I.T. Management Company.

## ILLUSTRATION OF AN ASSUMED $10,000 INVESTMENT 1962-1969

This graph illustrates an assumed investment of $10,000 in IIT made on Oct. 15, 1962, the date IIT was first offered under The IOS Investment Program. As of Dec. 31, 1969, this investment, after deduction of the 7½% acquisition charge applicable ($750*), had grown to $23,191.




| Year end | | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|---|---|
| Value of Investment | $9,250 | $9,905 | $10,979 | $12,159 | $16,954 | $17,557 | $23,374 | $26,754 | $23,191 |
| Net Asset Value per Share | $3.53 | $3.78 | $4.19 | $4.64 | $6.47 | $6.70 | $8.92 | $10.21 | $8.85 |

### Illustration of Assumed Investments 1962-1969 at Various Acquisition Charge Levels

| Initial Cost of Investment | $5,000 | $10,000 | $25,000 | $50,000 | $100,000 | $250,000 | $500,000 | $1,000,000 |
|---|---|---|---|---|---|---|---|---|
| Acquisition Charge | 8½% | 7½% | 6% | 4% | 3% | 2% | 1% | ½ of 1% |
| Total Value of Investment | $11,470 | $23,191 | $58,916 | $120,340 | $243,187 | $614,235 | $1,241,006 | $2,494,547 |

# IIT FUND INVESTMENT PORTFOLIO
## DECEMBER 31, 1969

| | Principal Amount or Number of Shares Owned | Cost | Marke |
|---|---|---|---|
| **EUROPE 15.0%** | | | |
| **France 2.1%** | | | |
| Compagnie Française des Pétroles | 150,000 | $5,831,900 | 5,9 |
| Société Le Nickel | 147,500 | 4,272,500 | 7,8 |
| Roussel UCLAF | 13,026 | 1,036,400 | 1,1 |
| **Germany 2.0%** | | | |
| AEG-Telefunken | 170,000 | 11,493,500 | 11,01 |
| Vereinigte Elektrizitäts- und Bergwerks AG | 60,100 | 2,643,400 | 2,94 |
| **Holland 7.9%** | | | |
| AKZO N.V. | 472,000 | 14,497,500 | 14,32 |
| Albert Heijn N.V. | 67,500 | 3,971,400 | 3,16 |
| Koninklijke Luchtvaart Maatschappij, N.V. (KLM) | 33,000 | 1,677,000 | 1,50 |
| N.V. Gem. Bezit v. Aand. Philips' Gloeilampenfabrieken | 988,500 | 13,669,300 | 17,43 |
| Unilever N.V. | 312,300 | 9,725,100 | 9,85 |
| Verenigde Nederlandse Uitgeversbedrijven N.V. | 130,000 | 8,841,500 | 9,06 |
| **Spain 0.3%** | | | |
| Altos Hornos de Vizcaya, S.A. | 36,800 | 299,800 | 32 |
| Banco de Santander | 5,850 | 308,500 | 29 |
| Banco Urquijo, 4% convertible debentures | Ptas. 10,000,000 | 144,300 | 14 |
| Banco Urquijo common stock | 2,100 | 301,200 | 35 |
| Fomento de Obras y Construcciones, S.A. | 5,800 | 280,800 | 28 |
| Vallehermoso, S.A. | 12,000 | 301,900 | 31 |
| **United Kingdom 2.7%** | | | |
| Allied Breweries Limited | 900,000 | 1,888,700 | 1,89 |
| Grand Bahama Development Company Ltd. | 400,000 | 2,500,000 | 2,50 |
| Grand Metropolitan Hotels Ltd. | 760,000 | 2,285,100 | 2,78 |
| International Computers Limited | 1,000,000 | 5,377,200 | 6,33 |
| Slater Walker Securities Limited | 440,000 | 2,886,500 | 2,49 |
| Unilever Limited | 175,000 | 1,234,100 | 1,33 |
| Western Mining Corp. Ltd. | 100,000 | 1,227,500 | 1,87 |
| **ASIA 24.2%** | | | |
| **Japan 24.2%** | | | |
| Daiwa Danchi Co., Ltd. | 1,000,000 | 5,474,600 | 5,729,5 |
| Daiwa House Industry Co. Ltd. | 4,000,000 | 2,366,500 | 19,619,9 |
| Dai Nippon Printing Co. Ltd. | 5,000,000 | 3,931,200 | 5,310,2 |
| Hitachi, Ltd. | 33,000,000 | 13,114,400 | 16,232,5 |
| Komatsu Manufacturing Co., Ltd. | 15,500,000 | 10,842,400 | 15,075,5 |
| Kubota Iron and Machinery Works, Ltd. | 5,950,000 | 3,078,900 | 3,891,3 |
| Matsushita Electric Industrial Co. Ltd. | 8,000,000 | 8,090,500 | 18,133,0 |
| The Mitsubishi Bank, Ltd. | 17,000,000 | 9,869,900 | 13,683,6 |
| Nippon Electric Co. Ltd. | 23,000,000 | 18,317,500 | 22,305,7 |
| The Sanwa Bank, Ltd. | 10,000,000 | 5,918,600 | 6,707,7 |
| Takeda Chemical Industry Ltd. | 6,500,00 | 5,705,500 | 8,084,1 |
| Tateishi Electric Co. Ltd. | 2,100,0 | 7,249,400 | 10,388,5 |
| Tokyo Shibaura Electric Co. Ltd. | 74,875,000 | 23,796,100 | 21,554,3 |
| Yamanouchi Pharmaceutical Co. Ltd. | 5,000,000 | 3,151,800 | 3,926,8 |

| | *Principal Amount or Number of Shares Owned* | *Cost* | *Quoted Market Value (Note 8)* |
|---|---|---|---|
| AUSTRALIA 1.4% | | | |
| **Australia 1.4%** | | | |
| Slater Walker Securities (Australia) Limited | 1,000,000 | $4,460,400 | $4,024,800 |
| Western Mining Corp. Ltd. | 325,000 | 4,317,300 | 6,068,400 |
| AMERICA 38.7% | | | |
| **Canada 4.9%** | | | |
| Alcan Aluminium Limited | 680,000 | 19,585,300 | 17,181,500 |
| *Brilund Mines Ltd. Acquired May 6, 68; May 20, 69 | 65,000 | 2,362,400 | 1,629,900(D) |
| Canadian Goldale Corporation Ltd. | 250,000 | 1,941,900 | 1,571,900 |
| Canadian Pacific Railway Company | 93,000 | 6,994,800 | 6,835,500 |
| Home Oil Company Limited, class A foreign | 101,000 | 6,211,000 | 2,963,300 |
| The Oshawa Wholesale Ltd. class A common | 190,000 | 5,544,700 | 4,336,200 |
| **United States 33.8%** | | | |
| Alaska Airlines, Inc. | 115,000 | 1,626,800 | 1,221,900 |
| †AMBAC International Corp., 5½% convertible bonds due 1983 | $3,615,000 | 4,184,300 | 3,117,900 |
| American Hospital Supply Company | 20,000 | 814,000 | 902,500 |
| American Medical Enterprises, Inc. | 77,000 | 2,363,500 | 3,118,500 |
| American Medical International | 500,000 | 500,000 | 517,500 |
| American Petrofina, Inc., class A common | 165,000 | 4,905,000 | 5,713,100 |
| American Smelting and Refining Company | 100,000 | 3,118,700 | 3,237,500 |
| American Sterilizer Company | 31,000 | 815,100 | 937,800 |
| Ampex Corporation | 50,000 | 2,309,700 | 2,337,500 |
| Aqua-Chem., Inc. | 10,000 | 595,600 | 600,000 |
| Armco Steel Corporation | 10,000 | 285,600 | 286,300 |
| Capitol Industries, Inc. | 33,000 | 1,564,700 | 1,782,000 |
| Carter Wallace, Inc., common | 96,000 | 2,897,400 | 2,976,000 |
| *The Colorado Corporation, 7½% convertible note due 1984 acquired July 28, 69 | $12,000,000 | 12,000,000 | 12,000,000(A) |
| †Commonwealth Overseas N.V., 5¾% convertible debentures due 1984 | $7,365,000 | 6,900,000 | 3,093,300 |
| Data Processing Financial and General Corp. | 225,700 | 7,423,000 | 6,996,700 |
| *Dearborn Computer & Marine Corporation acquired Mar. 4, 68 | 37,500 | 559,600 | 622,800(C) |
| Deseret Pharmaceutical Company, Inc. | 500 | 24,900 | 21,900 |
| Dome Mines Limited | 3,400 | 156,300 | 160,200 |
| DWG Corporation, 5½% convertible subordinated debentures due 1994 | $2,887,500 | 2,310,000 | 1,357,100 |
| Eaton, Yale & Towne Inc., common | 95,000 | 3,919,100 | 3,883,100 |
| †Electronic Memories International N.V., 5¾% guaranteed convertible subordinated bonds due 1988 | $4,225,000 | 4,389,700 | 5,038,300 |
| Fedders Corporation | 25,000 | 604,100 | 850,000 |
| *First General Real Estate & Resources Trust, 7% convertible note due 1974 acquired June 25, 69 | $4,300,000 | 4,300,000 | 4,300,000(A) |
| †Four Seasons Overseas N.V., 7¼% convertible debentures with warrants due 1984 | $3,200,000 | 3,473,700 | 3,272,000 |
| General Time Corporation | 87,000 | 4,350,200 | 2,436,000 |
| *Giffen Industries, Inc. acquired Aug. 4, 68 | 230,570 | 7,779,200 | 2,819,200(D) |
| †Giffen International, N.V., 5¾% guaranteed convertible subordinated debentures due 1984 | $7,160,000 | 6,567,300 | 3,544,200 |
| Grant (W.T.) Company | 10,000 | 509,000 | 470,000 |

| IIT FUND INVESTMENT PORTFOLIO DECEMBER 31, 1969 (continued) | *Principal Amount or Number of Shares Owned* | *Cost* | *Quoted Market Value (Note 8)* |
|---|---|---|---|
| Harris-Intertype Corporation | 140,000 | $9,925,900 | $10,395,000 |
| Intellectron International, Inc. | 3,000 | | 11,900 |
| International Controls Corp. | 128,000 | 2,962,300 | 1,712,000 |
| •International Controls Corp. AA Acquired March 8, 68 | 50,000 | 600,000 | 412,000(C) |
| †ICC International N.V. (International Controls Corp.) 5½% guaranteed convertible debenture due 1988 | $7,286,000 | 6,133,000 | 3,388,000 |
| •International Geomarine Corporation, series "A" 6% convertible preferred Acquired Sept. 26, 68 | 9,000 | 900,000 | 450,000(B) |
| •Ivanhoe Associates, Inc., units Acquired Oct. 25, 68 | 15,000 | 1,500,000 | 1,000,000(B) |
| †King Resources Capital Corp. N.V. 5¾% guaranteed convertible surbordinated debentures due 1988 | $8,015,000 | 9,724,100 | 9,016,900 |
| King Resources Co. | 579,000 | 16,234,700 | 15,777,800 |
| •Liberty Equities Corp., 7% convertible subordinated note due 1984 Acquired May 29, 69 | $4,000,000 | 4,000,000 | 2,000,000(B) |
| •Liquidonics Industries, Inc., 5½% convertible subordinated note due 1983 Acquired July 1, 68 | $10,000,000 | 10,000,000 | 5,000,000(B) |
| Lucky Stores Inc. | 15,000 | 440,100 | 481,900 |
| •Macrodyne-Châtillon Corp., Series "A" convertible pfd. Acquired July 30, 68 | 30,000 | 759,500 | 166,500(D) |
| •Macrodyne-Châtillon Corp., common Acquired July 30, 68 | 45,000 | 1,139,200 | 249,800(D) |
| The Marley Company | 1,000 | 42,100 | 43,700 |
| Marshall Industries | 35,000 | 2,450,000 | 1,491,900 |
| Merck & Co., Inc. | 35,000 | 3,615,500 | 3,955,000 |
| Miles Laboratories, Inc. | 30,700 | 2,096,500 | 2,256,400 |
| Milton Roy Company | 22,000 | 716,000 | 968,000 |
| Nalco Chemical Company | 4,100 | 262,900 | 266,500 |
| The National Cash Register Co. | 5,000 | 730,200 | 802,500 |
| National Steel Corporation | 110,000 | 4,897,900 | 4,537,500 |
| North Central Airlines, Inc. | 410,000 | 3,319,100 | 1,588,800 |
| Ozark Air Lines, Inc. | 106,000 | 840,000 | 556,500 |
| Parke, Davis & Company | 200,000 | 6,250,000 | 7,000,000 |
| •Perfect Film & Chemical Corporation, 5% convertible subordinated note due 1988 Acquired June 25, 68 | $2,000,000 | 2,000,000 | 1,000,000(B) |
| Philip Morris Intl. Finance Corp., 4½% guaranteed convertible subordinated debentures due 1988 | $860,000 | 826,000 | 926,700 |
| Planning Research Intl., 6½% convertible debentures due 1984 | $1,140,000 | 1,140,000 | 1,140,000 |
| Reliance Insurance Company | 2,100 | 125,100 | 68,300 |
| Robins (A.H.) Company, Incorporated | 100,000 | 4,185,800 | 3,825,000 |
| •Satellite Navigation Corp. Acquired April 3, 69 | 100,000 | 200,000 | 50,000(B) |
| SCAM Instrument Corporation | 24,000 | 579,000 | 381,000 |
| Sherwood Medical Industries Inc. | 5,800 | 308,400 | 340,700 |
| Southern Pacific Company | 147,100 | 5,589,200 | 4,799,100 |
| Standard Oil Co. of California | 170,000 | 9,940,300 | 8,691,200 |
| Sterling Drug Inc. | 26,000 | 1,057,000 | 1,105,000 |
| Sunlite Oil Co. Ltd. | 150,800 | 1,694,300 | 751,000 |
| Sybron Corporation | 48,300 | 1,683,300 | 1,871,600 |
| •Texas International Petroleum Corp. Acquired Feb. 25, 69 | 400,000 | | |
| •Texas International Petroleum Corp., warrants Acquired July 23, 69 | 200,000 | 2,420,000 | 1,850,000(B) |
| Transcontinental Investing Corporation | 363,300 | 8,420,300 | 8,764,600 |
| Twentieth Century-Fox Film Corp. | 248,077 | 8,681,000 | 4,682,500 |
| Tyco International Finance N.V., 5% convertible subordinated debentures due 1984 | $2,745,000 | 2,606,300 | 1,647,000 |

| | | Principal Amount or Number of Shares Owned | Cost | Quoted Market Value (Note 8) |
|---|---|---|---|---|
| United Air Lines Inc. | | 535,000 | $16,284,300 | $14,445,000 |
| United Artists Corporation | | 70,000 | 2,336,300 | 2,362,500 |
| UMC Industries | | 82,000 | 2,254,100 | 1,496,500 |
| The Upjohn Company | | 52,000 | 2,245,800 | 2,769,000 |
| Warner-Lambert Pharmaceutical Co. | | 55,000 | 3,700,700 | 3,877,500 |
| Webb (Del E.) Corporation | | 355,000 | 6,636,000 | 3,993,700 |
| Western Union Telegraph Co., common | | 100,000 | 4,827,000 | 4,487,500 |
| Wheeling-Pittsburg Steel Corp. | | 235,000 | 4,743,800 | 4,406,200 |
| •White Shield Corp., 6% convertible notes due 1975 Acquired Aug. 8, 69; Nov. 26, 69 | | $3,950,000 | 4,591,200 | 3,211,500(D) |
| Woolworth (F.W.) Co. | | 45,000 | 1,700,600 | 1,698,800 |
| Xerox Corporation | | 17,000 | 1,745,100 | 1,797,700 |
| Total Investments | 79.3% | | $552,326,600 | $558,123,700 |
| Cash and Receivables less liabilities | 20.7% | | | 145,978,800 |
| Net Assets | 100.0% | | | $704,102,500 |

†*Not readily marketable Eurodollar Bond – see Note 8.*

•*Restricted security, valued by Management as follows:*
*(A) Valued at cost.*
*(B) Valued at cost, less a reserve.*
*(C) Valued at quoted market, less a discount - see Note 8.*
*(D) Valued by other methods - see Note 8.*

# IIT FUND – FINANCIAL STATEMENTS

## Statement of Net Assets
December 31, 1969

| | | |
|---|---|---|
| **Assets:** | | |
| Investments (Notes 7 and 8) - Marketable securities, at quoted market, (cost $497,216,000) | $521,362,000 | |
| Restricted securities, at value determined by Management (cost $55,110,600) | 36,761,700 | $558,123,700 |
| Cash, including interest-bearing deposits of $110,000,000 (note 6) | | 130,995,500 |
| Receivable for portfolio securities sold | | 18,323,400 |
| Receivable from IOS Investment Program, for shareholder investments in process of collection | | 445,200 |
| Cash dividends and interest receivable | | 6,060,400 |
| | | 713,948,200 |
| **Liabilities:** | | |
| Payable for portfolio securities purchased | $9,111,000 | |
| Other payables and accrued expenses | 734,700 | 9,845,700 |
| Net assets at market, applicable to 79,600,667 outstanding units (Note 1), equivalent to $8.85 per unit | | $704,102,500 |

## Statement of Changes in Net Assets
For the Year ended December 31, 1969

| | Balance December 31, 1968 | Net Increase (Decrease) for the Year | Balance December 31, 1969 |
|---|---|---|---|
| Fund units outstanding: | | | |
| Amounts received from sales of units ($4,584,903 units as of December 31, 1968; 40,253,630 in 1969; 94,838,533 as of December 31, 1969) | $456,400,900 | $375,770,100 | $832,171,000 |
| Less: Amounts paid on repurchases (8,136,289 units as of December 31, 1968; 7,101,577 in 1969; 15,237,866 as of December 31, 1969) | 66,591,800 | 65,710,500 | 132,302,300 |
| | 389,809,100 | 310,059,600 | 699,868,700 |
| Net increase (decrease) in net assets from fund operations | 84,217,300 | ( 79,983,500) | 4,233,800 |
| Net assets | $474,026,400 | $230,076,100 | $704,102,500 |

## Statement of Fund Operations
For the Year ended December 31, 1969

| | | |
|---|---|---|
| Net realized losses on investments (Note 7) | | $(50,514,500) |
| Net decrease in unrealized appreciation on investments (Note 8) | | (38,137,600) |
| Dividend and interest income, net of foreign taxes withheld (Note 5) | | 15,938,400 |
| | | (72,713,700) |
| **Expenses:** | | |
| Management fees (Note 2) | $6,044,800 | |
| Custodian fees | 486,700 | |
| Taxes | 385,200 | |
| Preparation and distribution of investor reports | 280,900 | |
| Legal and audit fees | 51,100 | |
| Other | 21,100 | 7,269,800 |
| Net decrease in net assets from fund operations | | $(79,983,500) |

The accompanying notes are an integral part of this statement. All amounts are stated in U.S. Dollars rounded to the nearest hundred dollars.

NOTES TO FINANCIAL STATEMENTS
December 31, 1969

**1. Redemption of Units:**
Fund units are redeemable at current net asset value, except during an extraordinary period when the determination of net asset value has been temporarily suspended, as defined in the Fund's Regulations.

**2. Management:**
The Fund is managed by I.I.T. Management Company, S.A., an affiliate of I.O.S., Ltd., for a fee of 1/12 of 1% per month of the Fund's average net assets.

**3. Investment Transactions:**
During the year ended December 31, 1969, cost of portfolio investments purchased and proceeds from portfolio investments sold amounted to $935,828,300 and $722,331,700, respectively.

**4. Reinvestment of Income:**
The current policy of the Fund is to retain and reinvest all income from dividends, interest and securities profits (capital gains).

**5. Taxes:**
The Fund is currently subject to a 30% tax withheld at source on cash dividends paid by United States companies; similar withholdings are applicable to dividends from companies in certain other countries.

**6. Deposit Accounts:**
Interest-bearing deposit accounts may be maintained by or for the Fund in recognized banks or trust companies. Although I.O.S., Ltd. directly or indirectly has interests in or controls eligible financial institutions, no deposits have been made in such institutions as of December 31, 1969.

**7. Gain or Loss on Investments:**
Net realized gain or loss on sale of investments is computed on the basis of average cost.

**8. Valuation of Investments:**
The following methods of investment valuation have been adopted by the Fund's Management and approved by the Board of Directors and, in their opinion, are appropriate in the circumstances and result in fair valuations at December 31, 1969.

**(a) Marketable securities**
Substantially all of the marketable securities held by the Fund are traded on U.S. securities exchanges, U.S. over-the-counter markets or recognized foreign securities exchanges. Values for all readily marketable securities are based on last recorded sales on December 31, 1969, or, in their absence, the average of the closing bid and asked prices on that date.

**(b) Not readily marketable securities**
Securities which are not readily marketable constitute approximately 9.54% of the Fund's net assets and are valued by the Fund's management, as follows:

**Restricted Securities:**
Where there is a quoted market for unrestricted securities of the same issue, the Fund computes a discount percentage (the percentage spread between its cost and the quoted market value for the unrestricted securities) at the date of acquisition of its investment. Such discount percentage is then applied to the quoted market value for the unrestricted securities of the same issue (or underlying issue in the case of convertible securities) in determining the valuation of the restricted securities. The Fund does not amortize the discount but revalues the restricted securities upon registration of such securities or the removal of the restriction. In general, registration costs are to be paid by the issuing companies. The following securities were valued in the manner described above:

| *Name* | *Original % Discount Consistently Applied* |
|---|---|
| Dearborn Computer & Marine Corporation | 27% |
| International Controls Corp., AA | 36% |
| Macrodyne-Châtillon Corp., series "A" convertible preferred | 26% |
| Macrodyne-Châtillon Corp., common | |

Where there is no unrestricted security of the same issue, the Fund's investments are valued at cost, or cost less a reserve, as the case may be. If the Fund obtains information on a restricted security indicating that a valuation other than that arrived at by the above methods will more properly reflect fair value, due consideration will be given to such information in determining the valuation of the restricted security. The following securities were valued in this manner:

| *Name* | *Basis of Valuation* |
|---|---|
| Brilund Mines Ltd. | At date of purchase, cost. Valued at market less 15% discount since June 1969. |
| Giffen Industries, Inc. | At date of purchase. cost. Valued at market less 23% discount since August 1968. |
| White Shield Corp., 6% convertible note due 1975 | Since dates of purchase, underlying conversion value less a varying % discount. |

**Eurodollar Bonds**

The Fund has several holdings in Eurodollar bonds which are substantial in relation to existing markets. Such holdings are valued at current market prices.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of I.I.T. Management Company, S.A. and Investors in IIT Fund.

We have examined the statements of net assets and investment portfolio of IIT Fund, which is sponsored and managed by I.I.T. Management Company, S.A. (a Luxemburg corporation), as of December 31, 1969, and the related statements of fund operations and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included confirmation of securities owned by the Fund as of December 31, 1969, and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above-mentioned financial statements present fairly the financial position of IIT Fund as of December 31, 1969, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN & CO.

Zurich, Switzerland
January 26, 1970

PLAINTIFF
- 1034A
JUN 14 1974
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
#3

Plaintiffs' Exhibit 3

PLAINTIFF
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
423

# IITT
# AN INTERNATIONAL INVESTMENT TRUST

# ANNUAL REPORT 1971

. 1035A

IIT
16A Avenue de la Liberté
Luxembourg, Luxembourg

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RECD-S.E.C.

JUN 21 1972

The Prospectus of IIT, an International Investment Trust, must precede or accompany this Report. The subscription of IIT shares may be accepted only on the basis of the current Prospectus of IIT, accompanied by the latest Annual and/or Semi-Annual Report and by the latest Quarterly Report. Copies of these Reports are available from Services Administratifs IOS France, Ferney-Voltaire (Ain), France and from Overseas Development Bank Luxembourg S.A., 16A Avenue de la Liberté, Luxembourg. No person is authorised to make any representations other than those contained in this Report and the accompanying Prospectus.

Financial notices and the daily net asset value per share of the Fund are published in the International Herald Tribune and other appropriate national financial newspapers.

The President's Letter

Dear Investor,

I am pleased to report that your Fund's net asset value per share rose from $6.47 to $7.06 for the year ended December 31, 1971. This represents an increase of 9.1%. Among the major markets where your Fund is invested, average share prices declined during the year in Amsterdam, Milan and Paris, rose modestly in New York, Montreal and Frankfurt and showed striking gains in London and Tokyo.

The United States' decision on August 15 to temporarily suspend gold convertibility of the Dollar led to a new set of currency exchange parities. Concern over the final outcome in both the areas of exchange rates and trade policy, however, proved unsettling to securities markets during the latter part of the year. The new currency arrangements worked out in Washington on December 17-18 have generally produced a sense of relief both in the U.S. and abroad. However, no final solution to the problems has emerged, and formidable difficulties may still be encountered both in international trade negotiations and in designing a new international monetary framework to replace the old system. The generally optimistic outlook, though, has helped to improve stock market confidence both in the U.S. and abroad since year-end.

Overall growth in production should continue to accelerate in the United States and the United Kingdom this year and it appears that recovery in the Japanese and continental European economies may also get underway in the latter half of the year. At year-end, your Fund's investment position in the U.S. represented 54.6% of net assets; this compares with 44.9% at the end of 1970. Optimism for the U.S. market springs from the forecast of a 6% real growth rate for the gross national product in 1972. This buoyancy is projected to emanate from expansion in the housing industry and increased consumer spending.

IIT's participation in the much improved U.K. economy is represented by 11% of net assets. This market has exhibited exceptionally strong performance throughout 1971 and the economic outlook continues to be bright. Although capital spending continues to languish, it is expected to pick up as output growth in other sectors continues. Because of the large-scale reduction in inventories, the first and second quarters should witness a pickup in production which, in turn, should be followed by increased capital investment in the latter part of the year. While 1971 showed increased corporate profits, further significant gains should be possible in 1972 as business expansion creates higher productivity, more than offsetting the cost of wage hikes.

Your Fund currently has a cash position of 10.1% of net assets, including $21.5 million in interest-bearing time deposits. We feel that IIT's portfolio is representative of positive growth areas and corporations and we shall continue seeking new investment opportunities that in our judgment offer attractive appreciation potential at reasonable risk. We are grateful for your continuing support in this task.

Sincerely,
I.I.T. Management Company, S.A.

Milton Meissner

Milton F. Meissner
President

# IIT Fund

Portfolio Changes -- unaudited

For the fourth quarter 1971

| Securities | Principal Amount or Number of Shares |
|---|---|
| **New commitments:** | |
| Brown (John) & Co. Ltd. | 95,000 |
| Burston Group Ltd. | 200,000 |
| Carreras Ltd. "B" | 600,000 |
| Coral (J.) Holdings Ltd. | 108,000 |
| Disney (Walt) Productions | 10,200 |
| Honeywell Capital N.V. 6% guaranteed convertible subordinated bonds, due 1986 | $ 500,000 |
| Imperial Tobacco Group Ltd. | 100,000 |
| Laporte Industries (Holdings) Ltd. | 450,000 |
| McDonald's Corp. | 10,900 |
| Plessey Co. Ltd. | 100,000 |
| Ranks Hovis McDougall Ltd. | 300,000 |
| Ready Mixed Concrete Ltd. | 185,000 |
| Redland Ltd. | 355,000 |
| Silver Shield Mines, Inc. | 50,000 |
| Xerox Corp. | 20,000 |
| **Additions to existing positions:** | |
| AKZO N.V. | 1,280 |
| Aileen, Inc. | 2,400 |
| Amerada Hess Corp. | 50,000 |
| American Express Co. | 500 |
| American Micro-Systems, Inc. | 1,000 |
| Avon Products, Inc. | 3,000 |
| Black & Decker Manufacturing Co. | 17,000 |
| Chubb & Son Ltd. | 1,819 |
| Crown Cork & Seal Co., Inc. | 50,000 |
| Daiei Super Store | 75,000 |
| Delta Metal Co. Ltd. | 40,000 |
| Eastern Airlines, Inc. | 45,000 |
| General Electric Co. Ltd. - Ordinary | 30,000 |
| General Motors Corp. | 4,400 |
| Great Universal Stores Ltd. – "A" | 10,000 |
| Holiday Inns, Inc. | 13,000 |
| International Business Machines Corp. | 2,000 |
| Jim Walter Corp. | 9,000 |
| Kinney Services, Inc. | 25,000 |
| Kresge (S.S.) Co. | 11,900 |
| Magnavox Co. | 5,000 |
| Midland Bank Ltd. | 25,000 |
| Océ van der Grinten N.V. | 2,550 |
| Ing. C. Olivetti & C. S.p.A. - Ordinary | 4,000 |
| - Priv. | 250,000 |
| Pirelli S.p.A. | 10,000 |
| Reynolds (R.J.) Industries, Inc. | 5,000 |
| Smith & Nephew Associated Cos. Ltd. | 120,000 |
| Société Française des Pétroles (later consolidated 1 for 8) | 75,500 |
| Ultramar Co. Ltd. | 30,000 |
| Vickers Ltd. | 20,000 |
| **Reductions:** | |
| Allgemeine Elektricitäts-Gesellschaft AEG-Telefunken | 14,000 |
| British Leyland Motor Corp. Ltd. | 650,000 |
| British Oxygen Co. Ltd. | 250,000 |
| Burton Group Ltd. - "A" | 290,000 |
| Coats Patons Ltd. | 300,000 |
| Daiwa House Industry Co. Ltd. | 1,500,000 |
| Electronic Memories International N.V. 5½% guaranteed convertible subordinated bonds, due 1988 | $ 250,000 |
| Elsburg Gold Mining Co. Ltd. | 325,000 |
| General Accident Fire & Life Assurance Corp. Ltd. | 50,000 |
| Matsushita Electric Works Ltd. | 1,100,000 |
| Mattel, Inc. | 23,300 |
| Nippon Electric Co. Ltd. | 300,000 |
| Phs. van Ommeren N.V. | 230,000 |
| Société Anonyme "Le Nickel" | 12,000 |
| Texas International Petroleum Corp. - Common | 67,000 |
| Unilever N.V. | 7,000 |
| White Shield Corp. | 10,000 |

IIT Fund
Portfolio Changes -- unaudited (continued)
For the fourth quarter 1971

| Securities | Principal Amount or Number of Shares |
|---|---|
| Eliminations: | |
| Associated Newspapers Group Ltd. | 320,000 |
| Audi NSU | 93,500 |
| Babcock & Wilcox Ltd. | 35,000 |
| Bayer A.G. | 8,000 |
| Boise Cascade Corp. | 47,300 |
| Boots Co. Ltd. | 190,000 |
| British Land Co. Ltd. | 400,000 |
| British Petroleum Co. Ltd. | 205,000 |
| Consolidated African Selection Trust Ltd. | 115,000 |
| Courtaulds Ltd. | 750,000 |
| EMI Ltd. | 175,000 |
| First National City Corp. | 40,000 |
| Imperial Chemical Industries Ltd. | 300,000 |
| Kajima Construction Co. Ltd. | 1,500,000 |
| Komatsu Manufacturing Co. Ltd. | 2,700,000 |
| Mitsubishi Estate Co. Ltd. | 2,652,000 |
| News International Ltd. | 60,000 |
| Palabora Copper Mining Co. Ltd. | 16,000 |
| Reckitt & Colman Ltd. | 200,000 |
| Rembrandt Group Ltd. | 120,000 |
| Rugby Portland Cement Co. Ltd. - Participating non-voting | 295,000 |
| Sears Holdings Ltd. - "A" | 795,000 |
| Sharp Corp. | 900,000 |
| Texas Eastern Transmission Corp. | 78,900 |
| Treasury Bonds, 8¾%, 1997 | £1,940,000 |
| **Eliminations of securities not previously listed:** | |
| Broken Hill Proprietary Co. Ltd. | 5,000 |
| Cavenham Ltd. | 50,000 |
| Cornwall Property (Holdings) Ltd. | 200,000 |
| Curzon House Investments Ltd. | 44,800 |
| Dunlop Holdings Ltd. | 100,000 |
| Polaroid Corp. | 14,000 |
| Seafield Amalgamated Rubber Co. Ltd. | 25,000 |

IIT Fund
December 31, 1971

## Stock Exchange Listings of Investment Portfolio Securities

Portfolio securities are quoted on the following stock exchanges unless otherwise indicated:

| Country | Stock Exchange |
|---|---|
| Canada | Montreal |
| United States | New York |
| France | Paris |
| Germany | Frankfurt |
| Holland | Amsterdam |
| Italy | Milan |
| United Kingdom | London |
| Japan | Tokyo |
| South Africa | Johannesburg |
| Australia | Melbourne |

## Currency Exchange Rates

The costs of portfolio investments are translated at historical rates of exchange. The market values of securities not quoted in U.S. Dollars have been translated into U.S. Dollars at the rates of exchange in effect on December 31, 1971, as follows:

| | U.S. $ 1 equals |
|---|---|
| Canadian Dollars | 1.0015 |
| French Francs | 5.2150 |
| German Marks | 3.2675 |
| Dutch Guilders | 3.2475 |
| Italian Lire | 593.5000 |
| Pounds Sterling | 0.3914 |
| Japanese Yen | 315.0000 |
| South African Rands | 0.7651 |
| Australian Dollars | 0.8398 |

## Percentages of Net Assets by Industry

| | |
|---|---|
| Oil & Gas | 11.25% |
| Electronics & Electrical Equipment | 10.23 |
| Office Equipment | 8.10 |
| Financial Services | 7.79 |
| Consumer Services | 7.22 |
| Chemicals & Drugs | 7.15 |
| Foods, Beverages & Tobacco | 6.20 |
| Building & Real Estate | 5.64 |
| Consumer Products | 4.14 |
| Textiles | 3.50 |
| Motors & Aircraft | 3.40 |
| Transportation | 2.39 |
| Machinery | 2.25 |
| Metals & Mining | 1.70 |
| Printing, Paper & Publishing | 1.67 |
| Government Bonds | 0.79 |
| Rubber | 0.32 |
| Miscellaneous | 3.40 |
| | 87.14 |
| Cash & receivables less liabilities | 12.86 |
| | 100.00% |

## IIT Fund
## Statement of Investment Portfolio
December 31, 1971

All investments are in common stocks unless otherwise noted.

| | Industry | Principal Amount or Number of Shares Owned | Cost | Market Value* | Percentage of Net Assets |
|---|---|---|---|---|---|
| **AMERICA** | | | | | |
| **Canada** | | | | | |
| Silver Shield Mines, Inc. | Metals & Mining | 50,000 | $ 132,200 | $ 151,500 | 0.06% |
| **United States** | | | | | |
| Aileen, Inc. | Textiles | 55,000 | $ 1,278,600 | $ 1,175,600 | 0.45% |
| Amerada Hess Corp. | Oil & Gas | 70,000 | 3,470,800 | 2,922,500 | 1.11 |
| American Express Co.*** | Financial Services | 38,200 | 3,512,900 | 5,042,400 | 1.92 |
| American Micro-Systems, Inc.*** | Electronics & Electrical Equipment | 80,000 | 3,362,900 | 1,830,000 | 0.70 |
| American Standard Inc. | Building & Real Estate | 240,700 | 7,284,900 | 3,700,800 | 1.41 |
| Atlantic Richfield Co. | Oil & Gas | 111,500 | 7,012,200 | 8,028,000 | 3.05 |
| Avon Products, Inc. | Consumer Products | 45,000 | 4,333,100 | 4,516,900 | 1.72 |
| Black & Decker Manufacturing Co. | Machinery | 47,000 | 3,314,300 | 3,783,500 | 1.44 |
| Chase Manhattan Corp. | Financial Services | 70,000 | 3,923,700 | 4,051,200 | 1.54 |
| Crown Cork & Seal Co., Inc. | Miscellaneous | 100,000 | 1,944,000 | 1,912,500 | 0.73 |
| Disney (Walt) Productions | Consumer Services | 10,200 | 1,014,000 | 1,402,500 | 0.53 |
| Duplan Corp. | Textiles | 60,282 | 1,631,600 | 1,326,200 | 0.51 |
| Eastern Airlines, Inc. | Transportation | 100,000 | 2,298,200 | 2,262,500 | 0.86 |
| Electronic Memories International N.V.*** 5½% guaranteed convertible subordinated bonds, due 1988 | Electronics & Electrical Equipment | $ 1,000,000 | 1,039,000 | 400,000 | 0.15 |
| Fedders Corp. | Electronics & Electrical Equipment | 75,000 | 3,375,100 | 3,178,100 | 1.21 |
| General Motors Corp. | Motors & Aircraft | 64,400 | 5,255,200 | 5,184,200 | 1.97 |
| Getty Oil Co. | Oil & Gas | 35,000 | 2,515,000 | 2,931,200 | 1.12 |
| Heublein, Inc. | Foods, Beverages & Tobacco | 60,350 | 2,437,200 | 3,258,900 | 1.24 |
| Holiday Inns, Inc. | Consumer Services | 60,000 | 2,334,100 | 2,745,000 | 1.04 |
| Honeywell Capital N.V.*** 6% guaranteed convertible subordinated bonds, due 1986 | Electronics & Electrical Equipment | $ 500,000 | 500,000 | 575,000 | 0.22 |
| International Business Machines Corp. | Office Equipment | 42,000 | 12,650,700 | 14,133,000 | 5.38 |
| International Controls Corp.** | Electronics & Electrical Equipment | 65,000 | 1,504,300 | 438,800 | 0.18 |
| Jim Walter Corp. | Building & Real Estate | 150,000 | 5,301,600 | 5,550,000 | 2.11 |
| Jonathan Logan, Inc. | Textiles | 60,500 | 3,404,200 | 3,796,400 | 1.45 |
| Kinney Services, Inc. | Miscellaneous | 100,000 | 3,246,500 | 3,125,000 | 1.19 |
| Kresge (S.S.) Co. | Consumer Services | 55,000 | 3,727,600 | 5,500,000 | 2.09 |
| Magnavox Co. | Electronics & Electrical Equipment | 55,000 | 2,325,100 | 2,495,600 | 0.95 |
| Marlennan Corp. | Financial Services | 25,000 | 1,232,000 | 1,643,800 | 0.63 |
| Mattel, Inc. | Consumer Products | 145,000 | 5,755,200 | 3,951,300 | 1.50 |
| McDonald's Corp. | Consumer Services | 10,900 | 669,400 | 825,700 | 0.31 |

| | Industry | Principal Amount or Number of Shares Owned | Cost | Market Value* | Percentage of Net Assets |
|---|---|---|---|---|---|
| Merrill Lynch, Pierce, Fenner & Smith, Inc. | Financial Services | 50,000 | $ 2,007,800 | $ 1,706,300 | 0.65% |
| Mobil Oil Corp. | Oil & Gas | 100,000 | 5,555,800 | 5,462,500 | 2.08 |
| Pabst Brewing Co.*** | Foods, Beverages & Tobacco | 50,000 | 2,702,500 | 3,793,700 | 1.44 |
| Pfizer Inc. | Chemicals & Drugs | 100,000 | 3,801,200 | 4,187,500 | 1.59 |
| Reynolds (R.J.) Industries | Foods, Beverages & Tobacco | 45,000 | 2,265,400 | 2,610,000 | 0.99 |
| Simplicity Pattern Co., Inc. | Miscellaneous | 25,000 | 3,288,900 | 3,606,200 | 1.37 |
| Texas International Petroleum Corp.*** | | | | | |
| Common | Oil & Gas | 333,000 | 1,998,000 | 1,789,900 | 0.68 |
| Warrants, exercisable at $9 per share, expiring 1974 | | 200,000 | 20,000 | 550,000 | 0.21 |
| UAL, Inc. | Transportation | 75,000 | 2,974,400 | 3,093,800 | 1.18 |
| Whirlpool Corp. | Electronics & Electrical Equipment | 50,000 | 3,770,300 | 4,900,000 | 1.86 |
| White Shield Corp.*** | Oil & Gas | 231,010 | 4,276,500 | 1,313,900 | 0.50 |
| Xerox Corp. | Office Equipment | 20,000 | 2,177,000 | 2,505,000 | 0.95 |
| | | | $136,491,200 | $137,205,400 | 52.21% |
| **EUROPE** | | | | | |
| **France** | | | | | |
| Compagnie Bancaire | Financial Services | 21,000 | $ 1,981,100 | $ 2,255,000 | 0.86% |
| L'Oréal | Consumer Products | 7,800 | 2,282,700 | 2,409,500 | 0.92 |
| Société Anonyme "Le Nickel" | Metals & Mining | 108,000 | 3,178,200 | 2,505,800 | 0.95 |
| Société Française des Pétroles | Oil & Gas | 30,000 | 1,136,900 | 1,196,500 | 0.46 |
| Société Nationale des Pétroles d'Aquitaine | Oil & Gas | 14,000 | 1,595,700 | 1,481,900 | 0.56 |
| Sommer S.A. | Textiles | 10,000 | 880,000 | 767,000 | 0.29 |
| | | | $ 11,054,600 | $ 10,615,700 | 4.04% |
| **Germany** | | | | | |
| Allgemeine Elektricitäts-Gesellschaft AEG-Telefunken | Electronics & Electrical Equipment | 12,500 | $ 800,000 | $ 537,500 | 0.20% |
| Horten A.G. | Consumer Services | 16,000 | 1,056,300 | 1,106,700 | 0.42 |
| | | | $ 1,856,300 | $ 1,644,200 | 0.62% |

** American Stock Exchange

*** OTC – Securities traded over-the-counter in New York or elsewhere and not traded on official stock exchanges.

IIT Fund
Statement of Investment Portfolio (continued)
December 31, 1971

| | Industry | Principal Amount or Number of Shares Owned | Cost | Market Value* | Percent of Net |
|---|---|---|---|---|---|
| **Holland** | | | | | |
| AKZO N.V. | Chemicals & Drugs | 280,000 | $ 8,181,000 | $ 5,595,700 | |
| Albert Heijn N.V. | Consumer Services | 69,300 | 3,849,100 | 3,243,600 | |
| Océ van der Grinten N.V. | Office Equipment | 24,450 | 1,589,500 | 1,159,400 | |
| Phs. van Ommeren N.V. | Transportation | 1,080,000 | 827,000 | 924,500 | |
| Royal Dutch Petroleum | Oil & Gas | 53,000 | 2,221,000 | 1,876,800 | |
| Unilever N.V. | Chemicals & Drugs | 125,000 | 3,875,400 | 4,522,700 | |
| Verenigde Nederlandse Uitgeversbedrijven | Printing, Paper & Publishing | 130,000 | 8,501,400 | 4,403,400 | |
| | | | $ 29,044,400 | $ 21,726,100 | |
| **Italy** | | | | | |
| Fiat, S.p.A. | Motors & Aircraft | 401,000 | $ 1,512,400 | $ 1,559,400 | |
| Montecatini Edison S.p.A. | Chemicals & Drugs | 1,078,000 | 1,298,300 | 1,339,500 | |
| Ing. C. Olivetti & C. S.p.A. | | | | | |
| - Ordinary | Office Equipment | 263,800 | 1,031,300 | 790,700 | |
| - Priv. | | 580,900 | 1,832,800 | 1,615,000 | |
| Pirelli S.p.A. | Rubber | 287,500 | 1,023,100 | 842,400 | |
| | | | $ 6,697,900 | $ 6,147,000 | |
| **United Kingdom** | | | | | |
| British Leyland Motor Corp. Ltd. | Motors & Aircraft | 850,000 | $ 939,200 | $ 1,216,200 | |
| British Oxygen Co. Ltd. | Chemicals & Drugs | 750,000 | 1,132,700 | 1,446,800 | |
| Brown (John) & Co. Ltd. | Machinery | 95,000 | 366,700 | 415,100 | |
| Burston Group Ltd. | Financial Services | 200,000 | 562,200 | 572,300 | |
| Burton Group Ltd. - "A" | Consumer Services | 50,000 | 259,900 | 305,300 | |
| Carreras Ltd. - "B" | Foods, Beverages & Tobacco | 600,000 | 579,000 | 620,900 | |
| Chubb & Son Ltd. | Machinery | 460,000 | 1,287,700 | 1,375,100 | |
| Coats Patons Ltd. | Textiles | 1,100,000 | 1,734,800 | 2,136,000 | |
| Coral (J.) Holdings Ltd. | Consumer Services | 108,000 | 577,000 | 593,300 | |
| Delta Metal Co. Ltd. | Metals & Mining | 220,000 | 584,500 | 674,500 | |
| Distillers Co. Ltd. | Foods, Beverages & Tobacco | 450,000 | 1,826,300 | 1,822,400 | |
| General Accident Fire & Life Assurance Corp. Ltd. | Financial Services | 450,000 | 1,502,400 | 1,943,100 | |
| General Electric Co. Ltd. | Electronics & Electrical Equipment | 280,000 | 1,084,000 | 1,216,200 | |
| - Ordinary | | 70,000 | 270,300 | 304,000 | |
| -"B" | | 200,000 | 1,096,800 | 1,517,700 | |
| Great Universal Stores Ltd. – "A" | Consumer Services | 100,000 | 219,800 | 245,300 | |
| Imperial Tobacco Group Ltd. | Foods, Beverages & Tobacco | | | | |

| | Industry | Principal Amount or Number of Shares Owned | Cost | Market Value* | Percentage of Net Assets |
|---|---|---|---|---|---|
| International Computers (Holdings) Ltd. | Office Equipment | 300,000 | $ 1,744,700 | $ 1,103,800 | 0.42% |
| Laporte Industries (Holdings) Ltd. | Chemicals & Drugs | 450,000 | 1,129,900 | 965,800 | 0.37 |
| Midland Bank Ltd. | Financial Services | 155,000 | 1,736,900 | 2,067,300 | 0.78 |
| Plessey Co. Ltd. | Electronics & Electrical Equipment | 100,000 | 358,500 | 357,700 | 0.14 |
| Ranks Hovis McDougall Ltd. | Foods, Beverages & Tobacco | 300,000 | 1,071,000 | 1,257,100 | 0.48 |
| Ready Mixed Concrete Ltd. | Building & Real Estate | 185,000 | 663,100 | 775,200 | 0.29 |
| Redland Ltd. | Building & Real Estate | 355,000 | 1,234,500 | 1,183,700 | 0.45 |
| Smith & Nephew Associated Cos. Ltd. | Chemicals & Drugs | 420,000 | 715,400 | 729,700 | 0.28 |
| Ultramar Co. Ltd. | Oil & Gas | 150,000 | 997,900 | 1,015,600 | 0.39 |
| Vickers Ltd. | Motors & Aircraft | 400,000 | 645,100 | 970,900 | 0.37 |
| War Loan, 3½% | Government Bonds | £1,940,000 | 2,006,700 | 2,069,400 | 0.79 |
| | | | $ 26,327,000 | $ 28,900,400 | 10.99% |
| **AFRICA** | | | | | |
| **South Africa** | | | | | |
| Elsburg Gold Mining Co. Ltd. | Metals & Mining | 545,000 | $ 909,900 | $ 854,800 | 0.32 |
| Huletts Refineries Ltd. | Foods, Beverages & Tobacco | 185,000 | 792,700 | 967,300 | 0.37 |
| Schlesinger Insurance & Institutional Holdings Ltd. | Financial Services | 700,000 | 1,307,400 | 1,189,400 | 0.45 |
| | | | $ 3,010,000 | $ 3,011,500 | 1.14% |
| **ASIA** | | | | | |
| **Japan** | | | | | |
| Daiei Super Store | Consumer Services | 225,000 | $ 416,900 | $ 735,700 | 0.28% |
| Daiwa Danchi Co. Ltd. | Building & Real Estate | 1,000,000 | 3,978,300 | 1,936,500 | 0.74 |
| Daiwa House Industry Co. Ltd. | Building & Real Estate | 300,000 | 356,300 | 504,800 | 0.19 |
| Matsushita Electric Works Ltd. | Electronics & Electrical Equipment | 1,300,000 | 2,267,300 | 2,302,800 | 0.88 |
| Nippon Electric Co. Ltd. | Electronics & Electrical Equipment | 12,700,000 | 6,333,700 | 6,370,300 | 2.42 |
| Nohmi Bosai Kogyo | Machinery | 248,500 | 440,000 | 347,100 | 0.13 |
| | | | $ 13,792,500 | $ 12,197,200 | 4.64% |

IIT Fund
Statement of Investment Portfolio (continued)
December 31, 1971

| | Industry | Principal Amount or Number of Shares Owned | Cost | Market Value* | Percent of Net Ass |
|---|---|---|---|---|---|
| AUSTRALIA | | | | | |
| Stocks & Holdings Ltd. | Building & Real Estate | 170,000 | $ 1,037,000 | $ 860,300 | 0.3 |
| Total marketable securities | | | $229,443,100 | $222,459,300 | 84.6 |
| Securities not readily marketable (see Note 6) | | | 52,911,000 | 6,589,400 | 2.5 |
| | | | $282,354,100 | $229,048,700 | 87.1 |
| Cash (including interest-bearing deposits and negotiable certificates of deposit of $21,500,000) | | | | 26,528,900 | 10.0 |
| Receivables less liabilities | | | | 7,268,100 | 2.7 |
| Net assets | | | | $262,845,700 | 100.0 |

*Market values for marketable securities are based on the closing sales prices on December 31, 1971, or, in their absence, on the average of the closing bid and asked prices on that date on the official stock exchanges of the countries concerned, unless otherwise indicated. For valuation of securities not readily marketable, see note 6.

The accompanying notes are an integral part of this statement.

All amounts are stated in U.S. Dollars rounded to the nearest hundred dollars.

## IIT Fund
Statement of Net Assets
December 31, 1971

| | | |
|---|---|---|
| **Assets:** | | |
| Investments: | | |
| Marketable securities, at market value: | | |
| Common and preferred stocks (Cost $225,897,400) | $ 219,414,900 | |
| Bonds and debentures (Cost $3,545,700) | 3,044,400 | $ 222,459,300 |
| Securities not readily marketable, at values determined by Management (Note 6) | | |
| Restricted securities (Cost $36,548,000) | 4,222,200 | |
| Eurodollar bonds (Cost $13,033,000) | 1,967,200 | |
| Other (Cost $3,330,000) | 400,000 | 6,589,400 |
| | | 229,048,700 |
| Cash, including interest-bearing deposits of $3,500,000 | | 8,528,900 |
| Negotiable certificates of deposit | | 18,000,000 |
| Receivables: | | |
| For portfolio investments sold | 6,625,400 | |
| Interest | 674,700 | |
| Dividends | 1,341,000 | |
| From IOS Investment Program for shareholder investments in process of collection | 268,800 | 8,909,900 |
| | | 264,487,500 |
| **Liabilities:** | | |
| Payable for portfolio investments purchased | 640,100 | |
| Other payables and accrued expenses | 1,001,700 | 1,641,800 |
| Net assets applicable to 37,206,010 outstanding units (Note 1) | | $ 262,845,700 |
| Net asset value per unit | | $7.06 |

The accompanying notes are an integral part of this statement.
All amounts are stated in U.S. Dollars rounded to the nearest hundred dollars.

## IIT Fund

**Statement of Fund Operations**

For the year ended December 31, 1971

| | | |
|---|---|---|
| **Income:** | | |
| Dividend income, net of taxes withheld (Note 5) | | $ 4,545,900 |
| Interest income, net of taxes withheld (Note 5) | | 3,441,600 |
| | | 7,987,500 |
| **Expenses:** | | |
| Management fee (Note 2) | 3,175,400 | |
| Custodian and trading fees | 552,500 | |
| Taxes | 175,600 | |
| Preparation and distribution of investor reports | 188,000 | |
| Legal and audit fees | 190,800 | |
| Other | 41,000 | 4,323,300 |
| Net investment income | | 3,664,200 |
| Net realized losses on investments computed on the basis of average cost | | (10,199,300) |
| Decrease in net unrealized depreciation of investments | | 35,425,400 |
| Net increase in net assets resulting from Fund operations | | $28,890,300 |

The accompanying notes are an integral part of this statement.
All amounts are stated in U.S. Dollars rounded to the nearest hundred dollars.

## IIT Fund

Statement of Changes in Net Assets
For the five years ended December 31, 1971

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| | 1967 | 1968 | 1969 | 1970 | 1971 |
| Net assets, beginning of period | $74,098,300 | $185,504,800 | $474,026,400 | $704,102,500 | $351,092,400 |
| Net investment income | 628,300 | 993,300 | 8,668,600 | 14,457,800 | 3,664,200 |
| Net realized gains (losses) on investments | 13,003,700 | 24,516,700 | (50,514,500) | (105,594,300) | (10,199,300) |
| Decrease (increase) in net unrealized depreciation of investments | 20,683,200 | 21,813,900 | (38,137,600) | (94,527,900) | 35,425,400 |
| | 108,413,500 | 232,828,700 | 394,042,900 | 518,438,100 | 379,982,700 |
| Amounts received from sales of units | 98,815,500 | 277,830,700 | 375,770,100 | 86,848,000 | 15,665,300 |
| Less: Amounts paid on repurchases of units | (21,724,200) | (36,633,000) | (65,710,500) | (254,193,700) | (132,802,300) |
| Net assets, end of period | $185,504,800 | $474,026,400 | $704,102,500 | $351,092,400 | $262,845,700 |
| The following summarizes the unit activity for the respective periods: | | | | | |
| Units outstanding, beginning of period | 11,051,811 | 20,793,122 | 46,448,614 | 79,600,667 | 54,230,335 |
| Add: Units sold | 12,489,502 | 29,584,605 | 40,253,630 | 11,345,754 | 2,276,459 |
| Less: Units repurchased | (2,748,191) | (3,929,113) | (7,101,577) | (36,716,086) | (19,300,784) |
| Units outstanding, end of period | 20,793,122 | 46,448,614 | 79,600,667 | 54,230,335 | 37,206,010 |
| Net asset value per unit: | | | | | |
| Beginning of period | $ 6.70 | $ 8.92 | $10.21 | $ 8.85 | $ 6.47 |
| End of period | 8.92 | 10.21 | 8.85 | 6.47 | 7.06 |
| High for period (unaudited) | 8.92 (Dec. 29) | 10.41 (Dec. 2) | 10.27 (Jan. 27) | 8.93 (Jan. 5) | 7.34 (Apr. 30) |
| Low for period (unaudited) | 6.61 (Jan. 4) | 7.67 (Mar. 6) | 8.24 (Jul. 30) | 6.42 (Dec. 23) | 6.34 (Nov. 16) |
| Luxembourg Stock Exchange quotations | | | | | |
| High for year (unaudited) L. Francs | 446 (Dec. 29) | 520 (Dec. 2) | 513 (Jan. 27) | 446 (Jan. 5) | 367 (Apr. 30) |
| Low for year (unaudited) L. Francs | 330 (Jan. 4) | 383 (Mar. 6) | 412 (Jul. 30) | 321 (Dec. 23) | 285 (Nov. 16) |

The accompanying notes are an integral part of these statements.
All amounts are stated in U.S. Dollars rounded to the nearest hundred dollars.

## IIT Fund
Notes to Financial Statements
December 31, 1971

**1. Redemption of Units:**
Fund units are redeemable at current net asset value, except during an extraordinary period when the determination of net asset value has been temporarily suspended, as defined in the Fund's Regulations and outlined in the current prospectus.

**2. Management:**
The Fund is managed by I.I.T. Management Company, S.A., for a monthly management fee of 1/12 of 1% of the Fund's average net assets.

**3. Investment Transactions:**
During the year ended December 31, 1971, cost of investments purchased and proceeds from investments sold amounted to $230,493,500 and $313,218,400 respectively.

**4. Reinvestment Policy:**
The current policy of the Fund is to retain and reinvest all income from dividends, interest and capital gains (securities profits).

**5. Taxes:**
The Fund is currently subject to a 30% tax withheld at source on all cash dividends and certain interest paid by United States companies; similar withholdings are applicable to dividends from companies in certain other countries.

**6. Securities not readily marketable:**
Securities which are not readily marketable constituted at December 31, 1971 approximately 2.88% of the Fund's investments (2.51%) of net assets, including common shares of Calcasieu Venture, N.V., which represent 32% of its issued stock. The remaining 68% of the Calcasieu issued stock is held by Venture Fund (International) N.V.
The valuation of the investment in Calcasieu stock, together with notes receivable from Calcasieu, is based on discounted estimated future net revenues from its interests in oil and gas properties as at December 1, 1971, as reported on by independent petroleum engineers under date of January 26, 1972, plus its net current assets. The policy of valuation of other securities not readily marketable is as follows:

*Restricted Securities*

Where there is a quoted market for unrestricted securities of the same issue, Management computes a discount percentage (the percentage spread between its cost and the quoted market for the unrestricted securities), at the date of commitment for acquisition of its investment. Such discount percentage is then applied to the quoted market value for the unrestricted securities of the same issue in determining the valuation of the restricted securities. The Fund does not amortize the discount but revalues the restricted securities upon registration of such securities or the removal of the restriction. In general, registration costs are to be paid by the issuing companies. Where there is no quoted market for unrestricted securities of the same issue, the Fund's investments are valued at estimated realizable amounts, as noted.

*Eurodollar Bonds*

The Fund has holdings in Eurodollar Bonds which are substantial in relation to existing markets. Such holdings are valued at current market prices, or at estimated realizable amounts, as noted below.

The Fund's position as of December 31, 1971, in securities which are not readily marketable comprised:

| | Industry | Principal Amount or Number of Shares Owned | Cost | Value Determined by Management | Percentage of Net Assets |
|---|---|---|---|---|---|
| **AMERICA** | | | | | |
| **Canada** | | | | | |
| Brilund Mines Ltd.<br>Valued at a 40% discount<br>Acquired May 6, 1968; May 20, 1969 | Metals & Mining | 65,000 | $ 2,362,400 | $ 265,700 | 0.10% |
| **United States** | | | | | |
| *Restricted Notes* | | | | | |
| Cadence Industries, Inc.<br>5% convertible subordinated note, due 1988<br>Valued at cost less a 50% reserve<br>Acquired June 25, 1968 | Consumer Services | $ 2,000,000 | $ 2,000,000 | $ 1,000,000 | 0.38% |
| Colorado Corp.<br>7½% convertible note, due 1984<br>Valued at cost less a 95% reserve<br>Acquired June 28, 1969 | Oil & Gas | $12,000,000 | 12,000,000 | 600,000 | 0.23 |
| First General Resources Co.<br>7% convertible subordinated note, interest and principal due 1979<br>Valued at cost less a 90% reserve<br>Acquired June 25, 1969 | Building & Real Estate | $ 969,925 | 969,900 | 97,000 | 0.04 |
| Liquidonics Industries, Inc.<br>7% promissory notes, due 1971<br>Valued at cost less a 50% reserve<br>Acquired July 1, 1968 | Miscellaneous | $ 195,000 | 195,000 | 97,500 | 0.04 |
| Smithfield Foods, Inc.<br>7% convertible subordinated notes, due 1974<br>Valued at cost less a 50% reserve<br>Acquired May 29, 1969 | Foods, Beverages & Tobacco | $ 3,000,000 | 3,000,000 | 1,500,000 | 0.57 |
| Warrants, exercisable at $10 per share, expiring 1974 - Valued at $1 each<br>Acquired May 29, 1968 | | 80,000 | | 80,000 | 0.03 |
| | *Total Restricted Notes* | | $18,164,900 | $ 3,374,500 | 1.29% |

## IIT Fund
Notes to Financial Statements (continued)
December 31, 1971

| | Industry | Principal Amount or Number of Shares Owned | Cost | Value Determined by Management | Percent of Net As |
|---|---|---|---|---|---|
| *Restricted Stocks* | | | | | |
| Giffen Industries, Inc. | | | | | |
| Common | | | | | |
| Valued at a 90% discount | | | | | |
| Acquired August 4, 1968 | Building & Real Estate | 230,570 | $ 7,779,200 | $ 105,200 | 0.0 |
| Non-voting series 'A' preferred | | | | | |
| Valued at a 90% discount | | | | | |
| Acquired August 31, 1971 | | 265,400 | 4,891,500 | 121,100 | 0.0 |
| International Geomarine Corp. | | | | | |
| Series 'A' 6% convertible preferred | | | | | |
| Valued at $1 per share | | | | | |
| Acquired September 26, 1968 | Metals & Mining | 9,000 | 900,000 | 9,000 | - |
| Liquidonics Industries, Inc. | | | | | |
| Valued at a 40% discount | | | | | |
| Acquired July 1, 1968 | Miscellaneous | 99,000 | 750,000 | 196,700 | 0.0 |
| Multiponics, Inc. Units | | | | | |
| Valued at cost less a 90% reserve | | | | | |
| Acquired October 25, 1968 | Foods, Beverages & Tobacco | 15,000 | 1,500,000 | 150,000 | 0.0 |
| Navsat Systems Inc. | | | | | |
| Valued at cost less a 100% reserve | Electronics & | | | | |
| Acquired April 3, 1969 | Electrical Equipment | 100,000 | 200,000 | – | - |
| | *Total Restricted Stocks* | | $16,020,700 | $ 582,000 | 0.2 |
| *Eurodollar Bonds* | | | | | |
| Commonwealth Overseas N.V. | | | | | |
| 5% convertible debentures, due 1984 | | | | | |
| Valued at cost less a 100% reserve | Consumer Services | $ 7,365,000 | $ 6,900,000 | $ – | - |
| ICC International N.V. (International Controls Corp.) | | | | | |
| 9¼% guaranteed convertible debentures, due 1988, with warrants attached | Electronics & | | | | |
| Valued at market | Electrical Equipment | $ 4,371,600 | 6,133,000 | 1,967,200 | 0.1 |
| | *Total Eurodollar Bonds* | | $13,033,000 | $ 1,967,200 | 0.1 |

| | Industry | Principal Amount or Number of Shares Owned | Cost | Value Determined by Management | Percentage of Net Assets |
|---|---|---|---|---|---|
| *Other* | | | | | |
| Calcasieu Venture N.V. | | | | | |
| Common | Oil & Gas | 161,650 | $ 3,330,000 | $ 400,000 | 0.15% |
| 7% promissory notes, due 1972-73 | | $ 248,940 | | | |
| Valued on basis of the underlying assets of the company which were acquired December 17, 1970, in exchange for $3,330,075 7% convertible subordinated notes of First General Resources Co. | | | | | |
| *Total Other* | | | $ 3,330,000 | $ 400,000 | 0.15% |
| Total U.S. Securities not readily marketable | | | $50,548,600 | $ 6,323,700 | 2.41% |
| Total Securities not readily marketable | | | $52,911,000 | $ 6,589,400 | 2.51% |

## Auditors' Report

To the Board of Directors of I.I.T. Management Company, S.A. and Investors in IIT Fund:

We have examined the statements of net assets and investment portfolio of IIT Fund, which is sponsored and managed by I.I.T. Management Company, S.A. (a Luxembourg corporation), as of December 31, 1971, and the related statements of Fund operations and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included confirmation by the custodian of securities owned by the Fund as of December 31, 1971, confirmation by brokers (or appropriate alternative procedures) as to securities purchased but not received at that date, and such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The amounts shown on the statement of changes in net assets for the four years 1967 through 1970 were examined by other public accountants (except as otherwise indicated) and are included in this report for comparative purposes only.

In our opinion, the financial statements referred to above present fairly the financial position of IIT Fund as of December 31, 1971, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND

New York, New York
February 17, 1972.

I.I.T. Management Company, S.A.
Balance Sheet – December 31, 1971 (unaudited)
(Currency – U.S. Dollars)

| Assets | 1971 |
|---|---|
| Receivables – | |
| Due from Transglobal Financial Services Limited (owner of 100% of capital stock – Note A) | $ 8,260,503 |
| Management fee from IIT Fund | 216,526 |
| | $ 8,477,029 |
| **Stockholder's Investment** | |
| Stockholder's investment – | |
| Capital stock – | |
| Authorized and outstanding, 5,000 shares, par value Lux. Francs 1,000 each | $ 100,000 |
| Legal reserve | 10,000 |
| Retained earnings | 8,367,029 |
| | $ 8,477,029 |

Statement of Income and Retained Earnings (unaudited)
For the year ended December 31, 1971

| | |
|---|---|
| Income: | |
| Management fee from IIT Fund | $ 3,175,372 |
| Expenses | 434 |
| Net income for year | 3,174,938 |
| Retained earnings, beginning of year | 5,192,091 |
| Retained earnings, end of year | $ 8,367,029 |

A. Management fee income is remitted directly by the Fund to Transglobal Financial Services Limited ("Transglobal") and all expenses relating thereto are paid by Transglobal or by its parent I.O.S., Ltd.

B. The above financial statements have been prepared by Management without audit by independent public accountants, who do not express an opinion thereon.

Board of Directors of I.I.T. Management Company, S.A.

Milton F. Meissner, Director
President of I.I.T. Management Company, S.A.
President of Transglobal Financial Services Limited
1385 York Avenue
New York, N.Y.

C. Henry Buhl III, Director
Vice President of I.I.T. Management Company, S.A.
Director of Transglobal Financial Services Limited
Les Charmettes
Gland, Vaud, Switzerland

Johannes K. Melse, Director
Director of I.O.S. Sterling Management Company Limited
1 Avenue de Miremont
Geneva, Switzerland

James E. Roosevelt, Director
Director of Transglobal Financial Services Limited
30 Rue des Vollandes
Geneva, Switzerland

Martin L. Solomon, Director (resigned January 10, 1972)
Director of Transglobal Financial Services Limited
17 Wilton Row
London, England

Ulrich Strickler, Director
Director of Investment Properties International, Limited
Langacker Strasse
12-22A Herrliberg
Zurich, Switzerland

1055A

PLAINTIFF

Plaintiffs' Exhibit 4

EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

#4

JUN 14 1974

PLAINTIFF
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

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# I.I.T. FUND REGULATIONS

I.I.T. Management Company (S.A.) is organized in accordance with the following regulations for the management of a fund of securities and for the issuance of certificates representing parts thereof.

The arrangements between I.I.T. Management Company and the holders of the certificates are as hereinbelow stated:

*Art. 1.* The Fund is to be called "I.I.T." and shall be managed by I.I.T. Management Company in accordance with the conditions specified in these regulations.

*Art. 2.* Every person (living or a creation of law) shall be eligible to participate in the Fund for one or several parts thereof, which parts shall be represented by certificates, subject to the payment of the purchase price specified in Articles 5 and 6 below.

These certificates may be issued in bearer form or in registered form. Bearer certificates and Registered certificates shall confer to their holders the same rights in the co-proprietorship. Certificates may be issued to evidence the ownership of one part of the Fund or any multiples thereof. No certificate may represent a fraction of one part.

Each certificate shall carry the signatures of two directors of I.I.T. Management Company, one of which signatures may be a facsimile, and the countersignature of the Transfer Agent and Registrar.

These Regulations shall appear in French on the reverse side of the certificates.

*Art. 3.* The acquisition of a part of the Fund shall bind the bearer to comply with these regulations and shall entitle him to exercise such rights as are specified herein.

*Art. 4.* The holder of each certificate shall have, in direct proportion to the number of parts represented by the certificate and without prejudice to such other rights as may be conferred upon him by these regulations, a right of co-proprietorship in the assets of I.I.T.

*Art. 5.* The value of each part of the Fund shall be determined every working day (except Saturday) by I.I.T. Management Company by dividing the total value of the assets of the Fund by the number of parts therein which shall have been issued. The value of the assets of the Fund is to be calculated by I.I.T. Management Company in the following manner:

*(a)* With respect to that portion of the portfolio which consists of securities for which there is a ready or active market, the last known sales price of the previous day shall be used.

*(b)* With respect to cash or short-term government securities, the full amount of the cash and the face amount of the government securities, taken on the basis of conversion into U.S. dollars, and into Swiss francs, shall be used.

*(c)* With respect to that portion of the portfolio consisting of securities for which there is no ready or active market, such investments shall be carried in the portfolio on the basis of reappraisals made after each recorded change in value, but in any case at least once each month at the close of the last business day of each month by the Board of Directors of I.I.T. Management Company.

All determinations with respect to the value of each part of the Fund shall be computed in terms of U.S. dollars and Swiss francs.

In the event of any extraordinary circumstance which might make it impracticable to fix the per-part value of the Fund or in the event of an extraordinary demand for redemption of parts of the Fund, I.I.T. Management Company shall have the right to cause the suspension or postponement of the making of any per-part calculation until:

(i) it is practicable to make such calculation; or

(ii) sales of securities sufficient to cover the requested redemption shall have been effected.

I.I.T. Management Company shall use its best efforts to cause a quotation of the daily per-part valuation to be listed each day in newspapers which are published and have a general circulation in Luxembourg, and in such other countries as may seem appropriate.

*Art. 6.* Certificates can be issued only by the bank which shall serve as Transfer Agent and Registrar. After subscriptions for shares have been approved by I.I.T. Management Company, all applications for shares will be delivered to such bank, or to its delegated agent bank. All payments received by I.I.T. Management Company will be transmitted without delay to the bank which serves as Depository of Cash.

At all times, I.I.T. Management Company shall have the right to suspend or terminate the issuance of certificates; and I.I.T. Management Company may also limit the countries from which subscriptions for certificates will be accepted. At all times I.I.T. Management Company shall use its best efforts to see that certificates are issued in strict compliance with the laws and regulations of all countries concerned.

The price to be paid by any person subscribing for parts of the Fund shall be the per-part valuation referred to above; and the particular per-part valuation which shall be used in connection with any purchase shall be the valuation in effect at the time of the receipt of the approved subscription by the Transfer Agent and Registrar, or by its delegated agent bank.

In addition to such per-part valuation price, each subscriber shall pay:

(i) a sales commission which shall be deducted from the subscriber's total payment as follows:

8½% from any payment of less than $10,000;
7½% from any payment of between $10,000 and less than $25,000;
6% from any payment of between $25,000 and less than $50,000;
4% from any payment of between $50,000 and less than $100,000;

and a negotiated commission, but in no event more than 2%, with respect to any payment of $100,000 or more.

(ii) all imposts, stamp taxes and other taxes which may be due on account of the subscription and the issuance of shares.

Any holder of IIT units who purchases additional parts at a later time shall pay as sales commission with respect to the purchase of such additionally subscribed parts the percentage commission which would have been charged if he had purchased such additional parts and all parts then registered in his name at one time.

After having issued to the investor such full parts as he is entitled to from his payment, it may be that a portion of his payment still remains.

If this portion shall equal 50% or more of the price of a full part, an additional full part shall be issued to the investor.

If that portion shall be less than 50% of the price of a full part, no additional part shall be issued.

The monies necessary for the purchase of such additional parts shall be provided from a special reserve fund kept by I.I.T. Management Company. Any monies representing remaining portions of investor payments of less than 50% of the price of a full part will be deposited in this special reserve fund. At the end of each year, any surplus in this special reserve fund will be added to the assets of I.I.T., to the benefit of all co-proprietors. Any deficit in the special reserve fund will be met by I.I.T. Management Company without expense to I.I.T. or its co-proprietors.

*Art. 7.* No certificate holder, nor his heirs, administrators, or legal representatives, may force the dissolution of the Fund.

At all times every certificateholder may demand the redemption of some or all of the parts owned by him. Such redemption shall thereupon be effected by the cancellation of such parts of the Fund upon the payment to him of the appropriate per-part valuation. The amount to be paid on such redemption shall be the per-part valuation in either U.S. dollars or Swiss francs to be determined as provided in Article 5 above, except that all costs, imposts, stamp taxes and other taxes imposed or due by virtue of such redemption shall be borne solely by the redeeming certificateholder.

Any demand for redemption shall be made upon the bank which serves as Depository of Cash and such bank shall redeem from the cash assets of I.I.T. on the basis of the per-part valuation next made following the receipt of the demand for redemption.

If demands for redemption exceed the normal cash reserves of the Fund, I.I.T. Management Company shall sell such securities in the I.I.T. portfolio as will enable the Depository of Cash to meet these redemptions. In unusual circumstances, such as an international war, if it appears to be in the interest of the certificateholders, I.I.T. Management Company may suspend the redemption of certificates.

*Art. 8.* The Board of Directors of I.I.T. Management Company shall make all decisions with respect to the investment of the assets of the Fund. A Management Board may be retained by I.I.T. Management Company to assist its Board of Directors in making investments for the Fund; and in addition I.I.T. Management Company may organize an Advisory Board to render assistance. However, the ultimate responsibility with respect to investing the assets of the Fund is vested in the Board of Direstors of I.I.T. Management Company.

It is intended that the assets of the Fund shall be invested in securities in as flexible and intelligent a fashion as possible. However, the following minimum restrictions shall apply in any event:

*(a)* At least 75% of the assets shall be held in cash or invested in securities for which there is a ready or active market.

*(b)* At least 50% of the assets which are invested in securities shall be invested in securities which are listed on any recognized and principal stock exchange doing business in Austria, Belgium, Canada, Denmark, France, Great Britain, Holland, Italy, Luxembourg, Norway, Portugal, Sweden, Switzerland, the United States, and West Germany.

*(c)* At least 75% of the assets shall be so invested that exclusive of cash and short-term government securities, no more than 5% of the assets are invested in the securities of any one issuer.

*(d)* With respect to the 75% of the assets in *(c)* above, no more than 10% of the voting securities of any one issuer shall be acquired.

*(e)* With respect to any investment made in securities for which there is no ready or active market, no more than 2½% of the assets shall be invested in securities issued by any one issuer.

*(f)* In no event shall the assets be invested so as to acquire control of any company; furthermore, the Fund shall exercise its voting rights only to protect the interests of the co-proprietors, not to interfere with the normal management of any company.

*(g)* In no event shall the Fund:
(1) purchase any securities on margin;
(2) borrow any money;
(3) make any short sale of securities.

*(h)* In no event shall the Fund make any loan to any person (living or a creation of the law) unless such loan is either guaranteed by a government or by an international organization or by a corporation having a net worth in excess of U.S. $1,000,000, or its equivalent.

*(i)* The percentages listed under sections *(a)*, *(b)*, *(c)*, *(d)* and *(e)* above shall be calculated as of the time of purchase of said securities. In case of a later variation of market value, I.I.T. Management Company will not be required to dispose of any part of an investment which was originally purchased in conformity with the aforesaid regulations.

*(j)* Nothing in the above sections shall limit I.I.T. Management Company from ever exercising any and all special rights or participating in any or all distributions incidental to securities owned by the Fund.

*Art. 9.* The bank which shall serve as Transfer Agent and Registrar shall be the INTERNATIONAL BANK OF LUXEMBOURG. The responsibilities and duties of the Transfer Agent and Registrar are as follows:

*(a)* To issue certificates representing parts of the Fund, provided that such certificates shall only be issued upon written instructions from I.I.T. Management Company, which instructions shall be accompanied by a signed application from the investor in form approved by both I.I.T. Management Company and the Transfer Agent and Registrar.

*(b)* To deliver certificates which it issues in accordance with the instructions of the investor.

*(c)* All certificates which the Transfer Agent and Registrar may issue shall be properly signed in accordance with provisions of Article 2 in these regulations.

*(d)* All Certificates which the Transfer Agent and Registrar may issue shall be issued only upon the receipt by the Depository of Cash of the full cash payment in U.S. dollars or Swiss francs or such other currencies which shall from time to time be deemed acceptable by I.I.T. Management Company.

*(e)* To maintain a stock ledger with respect to all parts of the Fund which may be outstanding, and to send a duplicate copy of such stock ledger to the offices of I.I.T. Management Company in Luxembourg, and to such other place or places as may be indicated by I.I.T. Management Company.

*Art. 10.* Each subscriber to I.I.T. may request in his application the delivery of one or more certificates representing his part or parts of the Fund, in either registered or bearer form.

Each subscriber may, however, choose to leave his parts in an omnibus account with the Transfer Agent and Registrar, or with its delegated agent bank. In such case the bank will send to the subscriber a confirmation of the number of parts purchased and held for his account.

*Art. 11.* The transfer of bearer certificates may be made by simple transfer of possession. For parts that may be held in the omnibus account referred to above, it is necessary to notify the bank holding the omnibus account before any transfer of ownership will be recognized.

Parts represented by registered certificates can be transferred to another (i) either by both old and new owners (or persons having their powers of attorney) signing the certificates, or (ii) by a written agreement signed by both parties. To be recognized as valid by I.I.T. Management Company, the certificate and the transfer agreement must be turned in to the Transfer Agent and Registrar, or to its delegated agent bank. After written approval of I.I.T. Management Company, the Transfer Agent and Registrar will issue a new certificate or certificates, either in registered or bearer form, according to the instructions of the new owner.

In the case of the death of the owner of a registered certificate, or the owner of parts held in the omnibus account referred to above, the heirs must furnish a death certificate as well as a document of succession (will) or other valid documents signed by the executors or administrators of the estate. Such documents must be presented to I.I.T. Management Company, which will in turn (i) instruct the Transfer Agent and Registrar to issue a new certificate or certificates, or (ii) instruct the holder of the omnibus account to transfer title to the new owner or owners.

I.I.T. Management Company reserves the right to demand any additional evidence of legal inheritance it may deem necessary.

*Art. 12.* The liquid assets of the Fund shall be entrusted to the safekeeping of a bank. CREDIT SUISSE, of Zurich, Switzerland, shall act as Depository of Cash. The responsibilities and duties of the Depository of Cash are as follows:

*(a)* It shall accept all payments from investors. After deducting all sales charges and any other charges in connection with the issuance of certificates for parts of I.I.T., it shall place the balance of these payments at the credit of an account maintained by I.I.T. Management Company in the name of I.I.T.

*(b)* It shall serve as regular depository of all cash assets of the Fund.

*(c)* Whenever practicable, purchases and sales of securities for the portfolio of the Fund shall be processed by the Depository of Cash.

*(d)* It shall redeem, in accordance with Article 7, all certificates which may be submitted for redemption at the appropriate net asset value established

*(c)* With the exception of the special duties set forth in Articles 22, 23 and 24 below, it shall see that the liquid assets of the Fund in its safekeeping shall only be used in the following manner:

(1) for the purchase of securities, on condition that these securities shall be delivered to the Custodian of Securities in conformity with Article 14 below;

(2) for the redemption of certificates pursuant to Paragraph *(d)* above;

(3) for the payment of commissions, imposts, taxes and costs as set forth in Article 17 below;

*Art. 13.* The Transfer Agent and Registrar and the Depository of Cash may delegate part or all of their functions to other banks who shall agree to assume these obligations and duties. It is understood, however that the original banks must bear the ultimate responsibility for any duties and obligations which they may subdelegate.

*Art. 14.* The portfolio of securities of the Fund shall be entrusted for safekeeping to a custodian of securities. The Custodian of Securities of I.I.T. shall be the MONTREAL TRUST COMPANY, Toronto.

The duties and responsibilities of the Custodian of Securities shall be as follows:

*(a)* It shall keep under strict and safe custody all of the portfolio securities belonging to the Fund and to be entrusted to it pursuant to instructions from I.I.T. Management Company. The Custodian o Securities of the Fund shall refuse to accept delivery of securities except on written authorization from I.I.T. Management Company.

*(b)* It shall, on written instructions from I.I.T. Management Company, deliver any securities constituting part of the I.I.T. portfolio entrusted to its safekeeping into the hands:
(i) of other banks or financial institutions,
(ii) of brokers or dealers in securities,
and to no other parties.

*(c)* It shall collect any interest, dividends or other income that may be paid on the portfolio securities of I.I.T. and shall send these monies to the Depository of Cash.

*Art. 15.* Neither the Transfer Agent and Registrar, the Custodian of Securities, nor the Depository of Cash shall be in any way responsible or liable for the performance of any duties, except those specifically given to each of them in the appropriate Article 9, 10, 11, 12, 13, 14, 23 and 24 of these Regulations.

Each of the banks may at any time give written notice to I.I.T. Management Company of its intention to resign, but such resignation shall only be effective at such time as another bank shall agree to assume the proper duties and responsibilities. The capital assets of the new bank must be in excess of the equivalent of *(a)* U.S. $2,000,000 in the case of the Transfer Agent and Registrar and *(b)* U.S. $5,000,000 in the case of the Custodian of Securities and the Depository of Cash.

I.I.T. Management Company may at any time withdraw the duties delegated to each of the banks and confer these duties on other banks in accordance with the conditions prescribed in the above paragraph. Any such replacement bank must assume all responsibilities and functions which are specified in the present regulations.

*Art. 16.* The co-proprietors shall irrevocably allow I.I.T. Management Company to represent them and vote for them at any general meetings of shareholders of any companies whose shares may be a part of the portfolio of the Fund. I.I.T. Management Company need only exercise this right at such time that it judges opportune and within the limits of its rights. However, it will not be held accountable for not having exercised these rights.

*Art. 17.* I.I.T. Management Company shall receive a management fee of $^{1}/_{12}$ of one percent per month calculated on the basis of the average daily net asset value of the Fund. Such management fee shall be paid directly by the Depository of Cash at the beginning of each following month out of the monies held on deposit for the Fund.

Any taxes or imposts to be paid on account of the Fund shall be paid by the Depository of Cash out of monies of the Fund pursuant to written instructions given to the Depository of Cash by I.I.T. Management Company.

In addition to the foregoing, the Fund shall bear the following expenses:

the costs of printing certificates; the custodianship charges and expenses of the Custodian of Securities; any fees payable to the Transfer Agent and Registrar and to the Depository of Cash (except for such costs as are to be directly borne by the subscriber or by the redeeming certificateholder); publication costs with respect to official notices which may be inserted in newspapers; printing and distribution costs with respect to semi-annual reports of the Fund; fees payable to the independent certified accountants who shall audit the books and records of the Fund; organizational and periodic legal fees which are related to matters of the Fund (with exception of the preparation of selling material which may be used in connection with the underwriting and subscription of Fund certificates).

In no event shall the aggregate of all costs to be borne by the Fund, as under the preceding paragraph provided, exceed one percent per annum of the average net assets of the Fund during any calendar year. Any excess costs shall be borne by I.I.T. Management Company. Moreover, to the extent that interest and dividend income of the Fund and net capital gains of the Fund (whether realized by the Fund or not) during any calendar year may be insufficient to cover the costs to be borne insufficient I.I.T., Management Company shall bear such expenses.

The money to cover the enumerated expenses shall be paid out by the Depository of Cash from monies on deposit for the account of I.I.T. pursuant to written instructions received from I.I.T. Management Company.

*Art. 18.* The income realized by the Fund (including the realized capital gains) during each year will not be distributed to certificateholders, all income will be reinvested and added to the net asset value of the Fund.

*Art. 19.* In exceptional circumstances (such as a war), or as a result of such circumstances, I.I.T. Management Company may appoint another company in some other country to assume and exercise its obligations as specified in these Regulations, whenever such delegation would appear to be in the interest of the co-proprietors.

*Art. 20.* I.I.T. Management Company shall publish and distribute, whenever possible, semi-annual reports of I.I.T. operations to all co-proprietors. At least one report per year shall contain a summary of the Balance Sheet and Profit and Loss Statement of I.I.T. as approved by the independent auditors of the Fund.

At all times I.I.T. Management Company will keep all figures, books and accounting records available for examination by co-proprietors at its offices in Luxembourg.

*Art. 21.* The records of I.I.T. Management Company and the assets of I.I.T. shall be verified annually by one or more independent certified auditors.

*Art. 22.* I.I.T. has no restrictions either as to duration or to size. I.I.T. Management Company reserves the right to dissolve the Fund at any time and to distribute the net assets among the co-proprietors in proportion to their holdings, providing that they publish such a decision at least three times in a newspaper of general circulation in Luxembourg and such other countries as may seem appropriate.

Holders of registered certificates will be notified by mail.

I.I.T. Management Company shall make any liquidation in the best interests of the co-proprietors, who shall be presumed to henceforth agree to all liquidation proceedings which may be undertaken.

*Art. 23.* In the event that I.I.T. Management Company should cease to have its own legal existance in Luxembourg or abroad, or should decide or should be forced to go into liquidation, or should be declared in a state of bankruptcy, the legal or administrative bodies in charge of the liquidation of I.I.T. Management Company shall immediately report such information to the Transfer Agent and Registrar, to the Custodian of Securities, and to the Depository of Cash. On receipt of such information, or as soon as said banks shall have received written notice of the termination of the business of I.I.T. Management Company from either I.I.T. Management Company or from any of the banks acting hereunder

A. The Custodian of Securities:

(1) shall instruct the Transfer Agent and Registrar to deliver up to it immediately an up-to-date stock ledger;

(2) shall instruct the Transfer Agent and Registrar and the Depository of Cash to deliver up to it all of the liquid assets and general assets whatsoever belonging to the co-proprietorship which might be held on deposit with either of said banks; and,

(3) shall undertake to conserve the assets of the Fund in the best interest of the co-proprietors.

B. The Transfer Agent and Registrar and the Depository of Cash:

(1) shall suspend execution of all orders whatsoever from I.I.T. Management Company or from other parties, except for those orders they may have received from the Custodian of Securities; and,

(2) shall issue no new certificates and shall effect no redemptions until a new Fund management organization is set up or liquidation is ordered in the manner prescribed by these Regulations.

There shall be no liability or responsibility whatsoever on the part of the Custodian of Securities with respect to any assets or records of the Fund which are not received by it in accordance with its instructions and the provisions of this Article.

*Art. 24.* In the event that I.I.T. Management Company should cease to have its own legal existence in Luxembourg or abroad, whether as a result of bankruptcy, or forced liquidation, or termination of its activities as a result of insolvency, it shall be up to the administrative or legal liquidators of I.I.T. Management Company either to propose the liquidation of the Fund or to provide for the replacement of the management company.

Any corporation called upon to replace the management company must have a capital of U.S. $100,000. Furthermore, such corporation must agree to assume all duties and responsibilities imposed by these Regulations as well as those contained in the By-Laws of I.I.T. Management Company.

The final decision as to whether the Fund shall be liquidated or continued shall be decided at a general meeting of certificateholders, convening and proceeding in the manner prescribed in Article 26.

If continuation of the Fund should prove to be impractical or if liquidation should be approved by the requisite majority of certificateholders, such liquidation shall be carried out by the legal or administrative liquidators of I.I.T. Management Company or by such persons or institutions as may be appointed in accord-

The Transfer Agent and Registrar, the Custodian of Securities and the Depository of Cash shall comply with all instructions of the liquidators so designated.

The assets of the Fund shall be distributed to certificateholders in proportion to their holdings; no acts of the liquidators may be challenged as to their authority or validity.

In the event that, as a result of exceptional circumstances or as a result of the failure of the liquidators of I.I.T. Management Company, the certificateholders should be unable to hold a general assembly to decide upon a course of action within the first six months after I.I.T. Management Company has ceased, the Custodian of Securities shall keep in its possession, until such time as a general assembly of the certificateholders can be convened, the securities comprising the securities originally in its custodianship plus additional assets received by it pursuant to Article 23.

If six months from the date when I.I.T. Management Company ceases to act should elapse without a general assembly of the certificateholders having been held, the Custodian of Securities may, at its option, call a meeting of the certificateholders, provided that such meeting shall be called in conformity with the notice provisions provided for in Article 26 below.

In the absence of liquidators or in the event the liquidators should fail to fulfill their obligations under these Regulations, the general assembly of the certificateholders shall designate a board of liquidators, unless it shall decide to replace I.I.T. Management Company and continue the Fund.

During such period as the Custodian of Securities may be acting under this Article or under the provisions of Article 23, that bank shall be entitled to be reimbursed for the expenses incurred by it and to receive compensation, over and above its normal compensation, for the services rendered by it. Accordingly, that bank is authorized to collect on its behalf from the assets deposited with it such cash as may be required to provide such compensation. If the cash on hand is insufficient for this purpose, it may sell so many of the deposited securities as may be necessary to provide such cash.

The Custodian of Securities shall incur no liability whatsoever for any of its actions or failure to act under this Article or Article 23, except that if the bank should act in a negligent fashion there shall be liability. This Custodian of Securities shall be entitled to rely on the advice of its counsel in connection with the performance of its functions hereunder.

*Art. 25.* Any amendments to the present regulations, other than those required by law, may only be made in the following manner:

*(a)* All proposals for changes must be proposed by I.I.T. Management Company.

*(b)* All proposed changes shall be submitted for approval to a general assembly of certificateholders which shall take place in the main office of I.I.T. Management Company. I.I.T. Management Company must publish an announcement of the proposed changes, with any explanations which may seem appropriate, at least fifteen days before the meeting, in a newspaper of general circulation in Luxembourg and in such other countries as may seem appropriate. Owners of registered certificates shall be informed by mail. The announcement shall indicate the day and the hour of the meeting, as well as indicate where the owners shall have to deposit their certificates to be admitted to the assembly. Such deposit must be made at least six days before the assembly. Each part of the Fund represented by a certificate shall have the right to one vote. If co-proprietors at the meeting represent less than one half of the total outstanding parts of the Fund, a new general assembly must be called in the same manner, and this new assembly may make binding decisions regardless of the number of parts of the Fund which may then be represented at the meeting. All amendments must receive at least three-quarters of the votes of those voting.

*Art. 26.* Any general assembly of certificateholders called to consider any of the various matters described in Article 24 hereof shall be convened on the bases of same notice as prescribed in Article 25 *(b)*. At any such assembly, a quorum shall consist of the holders of certificates representing at least half the outstanding parts of the Fund. Any action taken at such assembly shall be taken on the basis of a vote of certificateholders held in the same manner as provided in Article 25 *(b)*, except that a majority vote is all that shall be required to approve any action to be taken. The resolutions, if any, adopted at such an assembly shall be certified to the Custodian of Securities; the Custodian of Securities shall then take such action and accept such instructions as may have been authorized at such meeting.

*Art. 27.* Any disagreements between co-proprietors and I.I.T. Management Company regarding these Regulations shall be submitted to arbitration. The French text of these Regulations shall rule.

There shall be a single arbitrator, if the parties can agree as to whom he shall be.

If the parties are unable to agree on a single arbitrator, they shall choose a committee of three arbitrators. Each party shall name one arbitrator, and these two arbitrators shall designate a third arbitrator.

If one party has not named its arbitrator within one month of having been requested to do so by the other party, or if the arbitrators do not succeed in agreeing on the choice of a third arbitrator within fifteen days of their appointment, the third arbitrator will be chosen by a Luxembourg referee judge of circuit at the request of the first party requesting it.

The arbitrators shall choose their place of arbitration. Their proceedings shall be final and unassailable and shall be consistent with the laws of the Grand Duchy

1058A

PLAINTIFF
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

Plaintiffs' Exhibit 5

JUN 14 1974

#5

PLAINTIFF
EXHIBIT
U. S. Dist. Court
S. D. of N. Y.

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# Introduction

The IOS Investment Program (the "Program") affords a unique and contemporary means of participating in the capital appreciation opportunities available through mutual funds. The Program is a form of investment account under which Investors Overseas Services Limited, a Bahamas company ("IOS"), offers a wide range of mutual fund Programs designed to provide financial planning for individual and institutional investors throughout the world. Through a computer-based custodial bookkeeping system, shares of certain Funds may be bought, sold, and held for safekeeping. Currently, the Funds available under the Program include, but are not limited to: The Fund of Funds, Limited; IIT, an International Investment Trust; Fondiritalia (sold under the Program only outside Italy); IOS Venture Fund (International) N.V.; Investors Fonds (sold under the Program only outside Germany); and I.O.S. Regent Fund Ltd.

As a result of comprehensive and continuous reviews of pertinent corporate and tax laws, Fund shares maintained under the protective structure of the Program realize maximum income and estate tax concessions in most jurisdictions, and benefit from simplified probate formalities.

This Prospectus sets forth the details of the Program structure, all applicable charges, and describes the rights, privileges, and services extended by IOS to Programholders. Specific information on the Funds available under the Program, including investment objectives, management descriptions, tax status, and investment portfolios, is detailed in each Fund's official prospectus.

# Investment Procedures of the Program

All remittances from investors are deposited with Crédit Suisse, Zurich, Switzerland, as Receiving Bank for Cash under the Program, and are used to purchase for the Programholder's account the appropriate number of full and fractional shares at the current net asset value (share price) in the designated Fund. Share price is determined daily by dividing the market value of the Fund's total net assets by the total number of Fund shares then outstanding. All underlying Fund shares evidencing purchases under the Program are held in safekeeping for the benefit of Programholders by The Bank of New York, New York, as Custodian. These shares represent the total investment of Programholders in Funds sold under the Program.

Programholders will receive one Program Certificate for each Account opened, representing ownership. After each investment, an Official Investment Confirmation will be issued, itemizing the net amount invested in Fund shares, the exact number of full and fractional shares purchased, the price paid per share, the total number of shares thus far accumulated, and any charges or fees applicable to the transaction.

To assure maximum protection of Program Accounts, the Banks and the Program Investment Accounting Department coordinate and verify all securities held under the Program and new deliveries of shares acquired for investors. The names and addresses of all Programholders are held in strictest confidence at all times.

The Banks servicing the Program have been selected on the basis of:

1) their financial stability;
2) the quality of their services; and
3) their ability to tender these services for the Funds and Programholders under favorable tax circumstances.

The Banks are subject to the banking laws of their respective countries. They do not perform any management or investment functions, nor are they responsible for the selection of securities bought or sold, or for the investment results of the Funds. For performing their administrative services, they receive separate compensation from IOS and/or each of the Funds participating in the Program.

## INITIAL INVESTMENTS

Programs may be opened by submitting a completed Program Application together with the required investment remittance (see "Types of Programs" for details) to:

Investors Overseas Services Limited
(Bahamas)
Executive Headquarters
119 Rue de Lausanne
1211 Geneva, Switzerland.
Attention: Processing Department

All checks and bank drafts in U.S. Dollars* are to be made payable to: Crédit Suisse, Zurich, Depository.

If, however, payment is to be made by way of bank transfer, the remitting bank must send the transfer to Crédit Suisse, Zurich, Switzerland, payable to The IOS Investment Program. A special form, the Bank Instruction Letter (BIL) may be used to effect a bank transfer. If so, the investor may either:

(1) send the BIL together with the Program Application to IOS (in which case IOS will forward the BIL to the investor's designated bank), or

(2) send the BIL to his bank and submit only the Program Application to IOS where it will be held pending remittance by the designated bank.

## SUBSEQUENT INVESTMENTS

All subsequent remittances in the form of checks and bank drafts for investment in existing Programs should be made payable in the same manner as initial investments* but sent, together with the "Next Investment Stub," (attached to each Official Investment Confirmation) to this distinct address:

IOS Processing Department
P.O. Box 48
1211 Geneva 21, Switzerland.

Payments by way of bank transfer are, again, to be sent to Crédit Suisse, Zurich, Switzerland, payable to The IOS Investment Program.

** For ease of handling, investments in freely convertible approved currencies other than U.S. dollars should be made payable to "Investors Overseas Services." (In Germany, clients' checks drawn in D.M. should be made payable to Crédit Suisse.) All such investments will be converted into U.S. dollars by IOS at the rate of exchange in effect in Switzerland at the time, and the proceeds will be transferred to Crédit Suisse, Zurich, for credit to the account of the appropriate Fund. A corresponding number of Fund shares will then be added by IOS to the Programholder's account. Details on special Dutch Guilder, £ Sterling, Canadian Dollar, German Mark, Italian Lire, and Swedish Crown Programs can be obtained from IOS.*

To expedite investment, all remittances should be clearly marked:

For IOS Program Account (number) of (name/s).

## Programholder Eligibility

Subject to laws of place of residence or nationality, any person twenty-one years old or over may purchase a Program.* Regardless of local law which may designate an earlier legal age, persons under 21 must obtain the written approval of a parent or legal guardian. The parent or guardian must offer proof satisfactory to IOS in support of the relationship.

Corporations and other institutions domiciled outside the U.S., and which are not affiliates or subsidiaries of U.S. corporations, may find participation in the Program an appropriate means of meeting their long-range capital growth requirements for pension plans and other purposes.

IOS reserves the right to accept or reject all applications for the purchase or transfer of Programs.

## Account Registration

Ownership of a Program may be designated by a Single Name Registration (one owner) or, if there are co-owners, by either of two types of Joint Tenancy:

1) Joint Tenants with Right of Survivorship (JTWRS) wherein both Tenants must co-sign all instructions to exercise Program rights and privileges;
2) Joint Tenants with Individual Ownership (JTWIO) wherein either Tenant may exercise all Program rights or privileges on his signature alone

The validity of either form of Joint Tenancy is contingent upon the applicable local law. Unless specified on the Program Application, all Joint Accounts will be registered as a Joint Tenancy with Right of Survivorship. Only one Program Certificate will be issued for a Joint Program regardless of the form of registration chosen.

## Types of Programs

Four types of Programs are offered:

1) Fully Paid Programs (FP) for single-sum investments.
2) Fully Paid Programs with Insurance Protection
3) Capital Accumulation Programs (CAP) for the systematic investment of a fixed number of units of a specified amount over a period of time.
4) Capital Accumulation Programs with Insurance Protection (CAPINS).

### FULLY-PAID-PROGRAMS

Fully Paid Programs are designed for those wishing to invest an initial sum of $1,000 or more. Subsequent investments of $1,000 or more may be made to the same Program Account at any time without an additional application. The net amount of investment, after deduction of the specified charges†, is used to purchase fully a

* *Funds under The IOS Program are neither offered for sale nor sold to citizens or residents of the United States of America, its territories or possessions.*

† *In addition to the Acquisition Charge, IOS may, at its option, assess at the time of investment a fixed administrative charge*

TABLE OF ACQUISITION CHARGES

| Face Amount of Investment in U.S. Dollars (or equivalent in a freely convertible approved currency) | Discount from Maximum Charge | Acquisition Charge |
|---|---|---|
| Under $10,000 | —0— | 8.5% |
| $ 10,000 and above but less than $ 25,000 | 1% | 7.5% |
| $ 25,000 and above but less than $ 50,000 | 2.5% | 6% |
| $ 50,000 and above but less than $100,000 | 4.5% | 4% |
| $100,000 and above but less than $250,000 | 5.5% | 3% |
| $250,000 and above but less than $500,000 | 6.5% | 2% |
| $500,000 and above but less than $1 million | 7.5% | 1% |
| $1 million or more | 8% | 0.5% |

fractional shares at the current net asset value in the designated Fund.

The above Table of Acquisition Charges applies to all investments made in a Fully Paid Program.

## FULLY PAID PROGRAMS WITH INSURANCE PROTECTION

Investors who have purchased or who are purchasing a Fully Paid Program may be eligible for 10-year Term Insurance under a Fully Paid Program with Insurance Protection ("Fully Paid Insurance").

All insurance benefits to which the insured Programholder is entitled are determined by the provisions of the Policy issued to IOS by The International Life Insurance Company S.A. of Luxemburg (ILI), which is beneficially controlled by I.O.S., Ltd. (Canada). The Policy provides that ILI will, subject to the terms of the Policy, pay a Death Benefit of an amount equal to the insurance risk at the date of death, upon receipt of proof satisfactoty to ILI of the identity, death, and circumstances concerning the death of the Programholder.

In addition, Programholders may be granted Accidental Death Benefit (ADB) coverage. The ADB provides that if an insured Programholder dies as a result of an "accident" as defined in the Policy, ILI, on receipt of satisfactory proof thereof, will pay a sum equal to, and in addition to, the Death Benefit. The Death Benefit (and the ADB if applicable) will be paid by ILI to the Receiving Bank for Cash under The IOS Investment Program. That payment, less the charges and fees

*$2.00 for each Fully Paid Program, regardless of the face amount. Further, in any calendar year following the year in which a Fully Paid Program is opened and during which no additional investments are made, IOS reserves the right to liquidate shares from the Program to cover an Annual Custodianship Fee of 0.2% of the amount invested up to a maximum of $9.00 per Program per annum.*

described in this Prospectus, will be used by IOS to purchase additional full and fractional shares for the deceased's existing Fully Paid Program.

A minimum face amount of $ 10,000 of 10-year level term or 10-year reducing term insurance is available. The premium and coverage of the 10-year level term insurance remain constant, i.e. neither changes over the period of coverage. Under the 10-year reducing term insurance the coverage decreases by 10% per annum over the 10-year life of the insurance and the annual premium decreases accordingly. Coverage in excess of $10,000 must be in multiples of $5,000. The coverage available is independent of the underlying Program amount.

For example, it is possible for a $10,000 Fully Paid Program to have $50,000 insurance coverage. The maximum amount of coverage for which an investor may apply is determined on an individual basis.

## ELIGIBILITY

Coverage is available for persons between the ages of 16 and 60 inclusive, but coverage for those between 56 and 60 inclusive will extend only to the insurance anniversary date immediately following their 65th birthday. If two or more persons jointly own a Fully Paid Program, only the "Applicant" (see Program Application form) may apply for coverage.

## PREMIUM CLASSES

Insurance protection may be extended to investors in one of four premium classes depending on the risk involved:

1. Standard Premium with ADB.
2. Standard Premium without ADB.
3. Sub-standard Premium (1½ times the standard premium) with ADB.
4. Sub-standard Premium (1½ times the standard premium) without ADB.

The major factors determining the degree of risk are: a) medical history and present physical condition; b) age; c) occupation; and d) place of residence.

## TABLE OF PREMIUM RATES

### STANDARD PREMIUM RATES FOR 10 YEAR LEVEL TERM OR REDUCING TERM INSURANCE

| Age Last Birthday at Program Opening Date | Annual Premium per $1,000 of Current Insurance Risk | Number of Annual Premiums Payable |
|---|---|---|
| 30 or less | $ 6.12 | |
| 31-35 | 7.31 | |
| 36-40 | 9.52 | |
| 41-45 | 12.98 | |
| 46-50 | 18.70 | |
| 51 | 19.46 | |
| 52 | 20.98 | |
| 53 | 22.65 | |
| 54 | 24.45 | |
| 55 | 26.42 | |
| 56 | 27.52 | |
| 57 | 28.66 | |
| 58 | 29.86 | |
| 59 | 31.12 | |
| 60 | 32.42 | |

NOTE: An administrative fee of $0.50 per $1,000 face amount of insurance is charged once only for the Accidental Death Benefit for each ten-year period of insurance.

The premium rate applying to the investor will be stated on the Program Certificate or on the Program Certificate Amendment.

The Applicant should understand that by submitting his Statement of Health to IOS, he is authorizing ILI to assign him to one of the four classes at the premium rate applicable to that class. If the Applicant does not want to accept the class to which he has been assigned, he is free to cancel his insurance protection and continue his Program without insurance protection.

## PREMIUM PAYMENTS

Premiums are payable only on the insurance anniversary date: this is the anniversary of the first processing date on which insurance was included with a Fully Paid Program. If insurance is included immediately with a new Program, the first premium is deducted from the opening investment. All other premiums are paid by share liquidation from the Fully Paid Program. Confirmation of each transaction is sent to the Program holder.

If there are insufficient shares remaining in the Program to cover the annual premium, the Programholder will receive notice that unless sufficient additional investment is received within 31 days after the date of notice, coverage will lapse. Should the coverage lapse, confirmation thereof will be sent to the Programholder.

## APPLICATION FOR INSURANCE

An Applicant for insurance must complete fully a Statement of Health. Any material misstatements may be grounds for denial of payment of benefits. An Applicant 46 years old or over *or* who desires coverage of $20,000 or more will be asked to submit additional medical information. ILI reserves the right, however, to request additional information from any Applicant for the proper evaluation of an insurance risk.

If ILI is unable to give an immediate underwriting decision, the Program will be opened without insurance. Insurance may be added when and if ILI has the necessary information.

## IMMEDIATE INSURANCE

Insurance coverage will commence on the date of signing of the Statement of Health for a maximum period of thirty days, provided that the Applicant is approved by ILI within that period. If an Applicant is not approved within the thirty-day period, then insurance coverage will commence on the date shown on the Program Certificate Amendment.

## ADDITION OF INSURANCE TO AN EXISTING FULLY PAID PROGRAM

Subject to the normal rules applicable to age, a Fully Paid Programholder may, at any time, apply for insurance protection. A fully completed Statement of Health must be submitted to the CAPINS Dept. at IOS Executive Headquarters.

Receipt by IOS of a Statement of Health will be considered receipt of an application for insurance.

If the Applicant is approved by ILI, he will receive a Program Certificate Amendment designating the effective date of coverage.

## TERMINATION OF INSURANCE PROTECTION

Insurance coverage will terminate:

1. On the insurance anniversary date next following the insured investor's sixty-fifth birthday.
2. Upon death of the insured investor.
3. On the insurance anniversary date next-following receipt of the investor's written request for termination.
4. On the 31st day next following the insurance anniversary date on which a premium from a Programholder is due and not received by ILI.
5. On the date on which the Fully Paid Program was fully liquidated.
6. On the date the Programholder's Program account is registered in the name of another person.
7. On the date of expiration of the term of insurance coverage.

## RENEWAL

Upon expiration of the initial ten year period of insurance coverage, the insured Programholder with level term insurance may apply for a further ten years' insurance coverage for the same face amount as the initial insurance. This privilege is subject to underwriting approval at the outset.

The following points should be noted as regards the Renewal Privilege:

1. Renewal premium rates are guaranteed. The premium for renewal will be that applicable to the insured investor's age at renewal, which was in force at the time the initial insurance was effected.
2. Renewal is not subject to any further medical evidence and, provided that the insured investor's written request for renewal is received before the end of the initial insurance term, renewal will be granted automatically at the insurance class applicable to the initial insurance.
3. The Renewal Privilege is not available to investors aged 51 or over when insurance is first approved.
4. The Renewal Privilege is not available with reducing term insurance.
5. Insurance issued to new Applicants aged 50 years and under can be renewed after every 10 years to give coverage up to a maximum age of 65, providing the Applicant's age at renewal is 60 years or less.

## CAPITAL ACCUMULATION PROGRAMS (CAP)

The Capital Accumulation Program (CAP) is designed to meet the financial planning needs of the investor who hopes to realize capital appreciation through a systematic, long-term plan. In this type of Program, Investment Units of specified amounts are invested at regular intervals, regardless of share price.

The minimum initial remittance for a CAP is two Investment Units. However, in order to maximize capital appreciation possibilities, many investors choose to open their CAPs by remitting at least the first 13 Units as their initial investment. This results in a larger block of investment capital working over a longer period of time. Pre-paid Investment Units must, however, be made in an amount that is an *exact* multiple of the regular

Investment Unit.* On completion of a CAP, the total Fund shares held therein may be transferred to a *new* Fully Paid Program Account or consolidated with an existing Fully Paid Program.

The Table on pages 12-13 contains specific data on the various CAPs and all applicable charges. In selecting a particular plan, the investor is advised to consider carefully his long-term ability to meet the regular payments essential to the successful completion of a CAP. Since a major portion of the Program's total acquisition charges is deducted from the first-year Investment Units paid in, premature termination of a CAP (especially in the early years of the Program) could result in a financial loss to the Programholder.

IOS reserves the right to terminate a CAP if the first 13 Investment Units are not completed within two years of the Program Issuance Date. Should IOS decide to exercise this right, the Programholder will be given written notice. He then has 60 days to remit the Investment Units needed to complete the first 13 Units, insuring continuance of the Program.

In addition to the charges set forth in the following Table, IOS reserves the right to charge an Annual Custodianship Fee of 0.2% of the face amount of a CAP, up to a maximum of $9.00 per Program per annum. This fee may be applied in any year following the scheduled completion date of the CAP, regardless of whether all Investment Units have been paid in. Moreover, the fee may be assessed prior to the scheduled completion date if no Investment Units are remitted within any three-month period and the Program is three months or more behind schedule.

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* *Any portion of an investment remittance which is in excess of an exact multiple of the Program's Investment Unit will be held without interest as an "odd balance." These accounts will be carried at such on each periodic Investment Confirmation and will be invested at the then current share price when the odd balance is sufficient to constitute a full Investment Unit.*

## CAPITAL ACCUMULATION PROGRAMS—TABLE OF CHARGES

### 120-UNIT (10-YEAR) PROGRAMS

| Total Investment (face amount) | Regular Investment Unit | Minimum Initial Investment | Acquisition Charges (A) For Each Investment Unit 1 thru 13 | Acquisition Charges (A) For Each Investment Unit 14 thru 120 | Acquisition Charges (A) Total | Percent of Acquisition Charges to Total Investment | Administrative Service Fee (B) per Investment Unit | Administrative Service Fee (B) Total | Total Charges | Net investment in Fund Shares |
|---|---|---|---|---|---|---|---|---|---|---|
| $3,000 | $25 | $50 | $12.50 | $1.00 | $269.50 | 8.98% | $0.75 | $89.25 | $358.75 | $2,641.25 |
| 3,600 | 30 | 60 | 15.00 | 1.20 | 323.40 | 8.98 | 0.87 | 103.53 | 426.93 | 3,173.07 |
| 4,800 | 40 | 80 | 20.00 | 1.55 | 425.85 | 8.87 | 1.00 | 119.00 | 544.85 | 4,255.15 |
| 6,000 | 50 | 100 | 25.00 | 1.87 | 525.09 | 8.75 | 1.10 | 130.90 | 655.99 | 5,344.01 |
| 7,200 | 60 | 120 | 30.00 | 2.24 | 629.68 | 8.75 | 1.16 | 138.04 | 767.72 | 6,432.28 |
| 9,000 | 75 | 150 | 37.50 | 2.74 | 780.68 | 8.68 | 1.25 | 148.75 | 929.43 | 8,070.57 |
| 12,000 | 100 | 200 | 50.00 | 3.33 | 1,006.31 | 8.39 | 1.50 | 178.50 | 1,184.81 | 10,815.19 |
| 18,000 | 150 | 300 | 75.00 | 4.26 | 1,430.82 | 7.95 | 1.87 | 222.53 | 1,653.35 | 16,346.65 |
| 25,200 | 210 | 420 | 105.00 | 3.71 | 1,761.97 | 6.99 | 2.26 | 268.94 | 2,030.91 | 23,169.09 |
| | | | For Each Investment Unit 1 thru 12 | 13 thru 120 | | | | | | |
| $30,000 | $250 | $500 | $125.00 | $4.14 | $1,947.12 | 6.49% | $2.50 | $297.50 | $2,244.62 | $27,755.38 |
| 36,000 | 300 | 600 | 150.00 | 3.30 | 2,156.40 | 5.99 | 2.75 | 327.25 | 2,483.65 | 33,516.35 |
| 48,000 | 400 | 800 | 190.00 | 1.51 | 2,443.08 | 5.09 | 3.00 | 357.00 | 2,800.08 | 45,199.92 |
| 60,000 | 500 | 1,000 | 220.00 | 1.61 | 2,813.88 | 4.69 | 3.25 | 386.75 | 3,200.63 | 56,799.37 |
| 120,000 | 1,000 | 2,000 | 310.00 | 9.89 | 4,788.12 | 3.99 | 3.75 | 446.25 | 5,234.37 | 114,765.63 |

*(A) Acquisition charge deductions for 120-Unit (10-Year) Programs with a face amount of $30,000 or more and 180-Unit (15-Year) Programs with a face amount of $45,000 or more are reduced starting with Investment Unit 13 rather than Unit 14 as with smaller Programs.*

180-UNIT (15-YEAR) PROGRAMS

| Total Investment (face amount) | Regular Investment Unit | Minimum Initial Investment | Acquisition Charges (A) For Each Investment Unit 1 thru 13 | 14 thru 180 | Total | Percent of Acquisition Charges to Total Investment | Administrative Service Fee (B) per Investment Unit | Total | Total Charges | Net Investment in Fund Shares |
|---|---|---|---|---|---|---|---|---|---|---|
| $4,500 | $25 | $50 | $12.50 | $1.41 | $397.97 | 8.84% | $0.75 | $134.25 | $532.22 | $3,967.78 |
| 5,400 | 30 | 60 | 15.00 | 1.67 | 473.89 | 8.78 | 0.87 | 155.73 | 629.62 | 4,770.38 |
| 7,200 | 40 | 80 | 20.00 | 2.19 | 625.73 | 8.69 | 1.00 | 179.00 | 804.73 | 6,395.27 |
| 9,000 | 50 | 100 | 25.00 | 2.62 | 762.54 | 8.47 | 1.10 | 196.90 | 959.44 | 8,040.56 |
| 10,800 | 60 | 120 | 30.00 | 3.08 | 904.36 | 8.37 | 1.16 | 207.64 | 1,112.00 | 9,688.00 |
| 13,500 | 75 | 150 | 37.50 | 3.77 | 1,117.09 | 8.28 | 1.25 | 223.75 | 1,340.84 | 12,159.16 |
| 18,000 | 100 | 200 | 50.00 | 4.72 | 1,438.24 | 7.99 | 1.50 | 268.50 | 1,706.74 | 16,293.26 |
| 27,000 | 150 | 300 | 75.00 | 6.43 | 2,048.81 | 7.59 | 1.87 | 334.73 | 2,383.54 | 24,616.46 |
| 37,800 | 210 | 420 | 105.00 | 6.52 | 2,453.84 | 6.49 | 2.26 | 404.54 | 2,858.38 | 34,941.62 |
| | | | For Each Investment Unit 1 thru 12 | 13 thru 180 | | | | | | |
| $45,000 | $250 | $500 | $125.00 | $7.65 | $2,785.20 | 6.19% | $2.50 | $447.50 | $3,232.70 | $41,767.30 |
| 54,000 | 300 | 600 | 150.00 | 7.25 | 3,018.00 | 5.59 | 2.75 | 492.25 | 3,510.25 | 50,489.75 |
| 72,000 | 400 | 800 | 190.00 | 6.53 | 3,377.04 | 4.69 | 3.00 | 537.00 | 3,914.04 | 68,085.96 |
| 90,000 | 500 | 1,000 | 220.00 | 6.20 | 3,681.60 | 4.09 | 3.25 | 581.75 | 4,263.35 | 85,736.65 |
| 180,000 | 1,000 | 2,000 | 310.00 | 9.89 | 5,381.52 | 2.99 | 3.75 | 671.25 | 6,052.77 | 173,947.23 |

*(B) The Administrative Service Fee will be deducted from each Investment Unit, except that only one fee will be deducted from the initial investment opening a Program, regardless of the number of Investment Units paid in as the initial investment.*

## CAPITAL ACCUMULATION PROGRAMS WITH INSURANCE PROTECTION (CAPINS)

Insurance protection guaranteeing the completion of a Capital Accumulation Program (CAP) in the event of the death, accidental death or accidental total and permanent disability of the Programholder is available for 120-Unit and 180-Unit Programs. A CAP to which insurance protection has been added is known as a CAPINS.

The rights and privileges extended to insured Programs are the same as those for uninsured Programs, except, of course, that insurance protection is available in the case of the former.

This special insurance is available through a renewable term group life insurance policy ("the Policy") issued to IOS on the lives of CAPINS investors by The International Life Insurance Company S.A. of Luxemburg (ILI). The Policy provides that on receipt and acceptance of proof of the identity, death, and circumstances concerning the death of the Programholder, ILI will pay to the Receiving Bank for Cash under The IOS Investment Program as the Death Benefit one sum equal to the deceased's unpaid Investment Units or the insured portion thereof. The net insurance proceeds, less the applicable fees and charges deducted by IOS as described in this Prospectus, will be used solely for immediate Program completion and the deceased's account will be credited by IOS with the requisite number of full and fractional shares.

CAPINS investors may also be covered for Accidental Death (ADB) and Accidental Total and Permanent Disability (PTD) Benefits in a combined package, subject to underwriting approval.

The ADB provides that if a Programholder dies as a result of an "accident" (as defined in the Policy), ILI, on receipt of satisfactory proof thereof, will pay a sum equal to and in addition to the Death Benefit. This additional payment (after deduction by IOS of authorized charges and fees as described in this Prospectus) will be paid to the Receiving Bank and applied by IOS to the opening of a new Fully Paid Program in the name of the deceased and in the same fund as his CAPINS Program. This Fully Paid Program qualifies for reduced acquisition charges through the Right of Accumulation if the total amount of the paid-up CAP and new Fully Paid Program passes a charge breakpoint (see Right of Accumulation—page 20).

Under the Accidental Total and Permanent Disability Benefit, should a Programholder be rendered "totally and permanently disabled" (as defined in the Policy) by an accident, ILI will pay to the Receiving Bank each of the Programholder's regular Investment Units (or the insured portion thereof) when due until either all the insured Investment Units have been paid or the Programholder is no longer disabled, whichever occurs first. These payments will be subject to the authorized charges and fees (other than premium deductions) described in this Prospectus. During the period the Programholder is receiving PTD Benefit, the coverage for Death Benefit will continue, but the ADB coverage will be suspended.

The terms of the Death Benefit, Accidental Death Benefit and Accidental Total and Permanent Disability Benefits are fully described and defined in the master policy issued to IOS and, in addition, are summarized in the Description of Insurance Benefits issued to each insured Programholder.

## ELIGIBILITY

To be eligible for the Death Benefit the Applicant must be at least 2 years old but less than 65. (To qualify for ADB and PTD Benefit protection an Applicant must be at least 16 years old but less than 65.) Up to age 16, the amount of coverage available is limited and need not correspond to the face value of the Program itself.

| Applicant's Age at Program Issuance Date | Maximum Insurable Investment Units |
|---|---|
| 2-7 years | $ 40 |
| 8-11 years | $ 60 |
| 12-15 years | $ 75 |

Programs with Investment Units in excess of these amounts will be insured only to the extent of these amounts.

In the case of a Programholder who, for a 120-Unit (10-year) Program, is over 55, or, for a 180-Unit (15-year) Program is over 50, the insurance coverage applicable at any time will be the lesser of:

1) the number of months remaining to the applicant's 65th birthday multiplied by the Investment Unit, or

2) the value of the unpaid Investment Units.

## PREMIUM CLASSES

See Premium Classes on page 8 for details on investor classification.

## PREMIUM PAYMENTS

Unless the Programholder chooses otherwise, an insurance premium is deducted from each Investment Unit remitted (except that only one premium is deducted from the initial two Investment Units). As insurance is for the unpaid Investment Units, the amount of insurance risk, and therefore the premium deducted, decreases each time an investment is made.

The following schedule on page 17 lists the total premiums charged at the standard rate for insurance coverage over the term of the various CAPINS Programs. These charges are based on the payment of one Investment Unit each month. Should a Programholder accelerate the investment schedule and thereby reduce the number of unpaid investment units covered under his insurance protection, the total amount and number of premiums will be reduced proportionately.

In addition to the monthly premiums, a one-time administrative fee of $0.50 for each $1,000 of insurance coverage will be charged for each Program covered by ADB and PTD protection. The fee is payable when the insurance becomes effective. In joint tenancy, only one fee is charged regardless of whether one or both of the insured tenants is covered for ADB and PTD.

The insurance premiums will be reviewed annually in the light of the prior year's risk experience. ILI reserves the right to raise or lower the premium rates for all Programs depending on such risk experience.

## APPLICATION FOR INSURANCE

Applicants for insurance must complete a Statement of Health answering all the questions in full detail. Any material misstatements may invalidate the insurance protection. A medical examination

is normally not required when the Program face amount or the total insurance coverage does not exceed $18,000 and the Applicant is less than 46 years old. ILI reserves the right, however, to request such additional information as it considers necessary for the proper evaluation of an insurance risk. Each Applicant is individually considered. An insured Program will be opened if the individual Applicant, or one or both Co-Applicants is adjudged insurable. If insurance protection cannot be granted, a regular CAP will be opened.

If ILI is unable to give an immediate underwriting decision, the Investment Program will be opened without insurance. Insurance may be added when and if ILI has the necessary information.

## IMMEDIATE INSURANCE

Insurance coverage will commence on the date of signing of the Statement of Health for a maximum period of thirty days provided that the Applicant is approved by ILI within that period in one of the four premium classes. If an Applicant is not approved within that thirty-day period, insurance coverage will commence on the date shown on the Program Certificate Amendment.

## JOINT CAPINS

On a CAPINS registered as a Joint Tenancy, insurance coverage may be on the lives of either or both of the tenants. Premiums are charged for each insured life.

In the event of the death of either insured Programholder, ILI will pay to the Receiving Bank the amount of the Death Benefit applicable to the deceased Programholder.

In the event of the simultaneous* death of both insured Programholders, ILI will pay to the Receiving Bank an amount equal to the Death Benefit applicable to both insured Programholders.

In the event of the Accidental Death of either insured Programholder who has been granted ADB coverage, ILI will pay to the Receiving Bank an amount equal to and in addition to the Death Benefit for the deceased Programholder.

In the event of the simultaneous* Accidental Death of both insured Programholders who have been granted ADB coverage, ILI will pay to the Receiving Bank an amount equal to, and in addition to, the Death Benefit for each deceased Programholder.

In the event of the Accidental Total and Permanent Disability of either insured Programholder who has PTD Benefit coverage, ILI will pay the regular Investment Unit (or insured portion thereof) for the disabled Programholder to the Receiving Bank throughout the period of disability, subject to the conditions stated on page 14. Premiums are waived for the disabled Programholder (as described on page 14), but will continue to be deducted for the other Programholder.

In the event of dual Accidental Total and Permanent Disability of both insured Programholders, who are both covered by the PTD Benefit, ILI will pay to the Receiving Bank, during the period of continued dual disability, twice the Investment

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* *"Simultaneous" is interpreted as the occurrence of death or accidental death of both insured Programholders within a period of 30 days.*

TABLE OF PREMIUMS*

120-UNIT PROGRAMS

| Total Investment at Program Completion | Regular Investment Unit | Total Insurance Premiums Over the Life of the Program† (Standard Rate) |
|---|---|---|
| $ 3,000 | $ 25 | $ 158.12 |
| 3,600 | 30 | 189.63 |
| 4,800 | 40 | 252.76 |
| 6,000 | 50 | 316.24 |
| 7,200 | 60 | 379.13 |
| 9,000 | 75 | 474.07 |
| 12,000 | 100 | 631.89 |
| 18,000 | 150 | 948.13 |
| 25,200 | 210 | 1,327.03 |
| 30,000 | 250 | 1,580.02 |
| 36,000 | 300 | 1,895.67 |
| 48,000 | 400 | 2,527.56 |
| 60,000 | 500 | 3,159.45 |
| 120,000 | 1,000 | 6,318.90 |

180-UNIT PROGRAMS

| Total Investment at Program Completion | Regular Investment Unit | Total Insurance Premiums Over the Life of the Program† (Standard Rate) |
|---|---|---|
| $ 4,500 | $ 25 | $ 368.67 |
| 5,400 | 30 | 430.23 |
| 7,200 | 40 | 573.62 |
| 9,000 | 50 | 717.34 |
| 10,800 | 60 | 860.27 |
| 13,500 | 75 | 1,075.57 |
| 18,000 | 100 | 1,433.79 |
| 27,000 | 150 | 2,151.1 |
| 37,800 | 210 | 3,011.6 |
| 45,000 | 250 | 3,584.9 |
| 54,000 | 300 | 4,301.37 |
| 72,000 | 400 | 5,735.16 |
| 90,000 | 500 | 7,168.95 |
| 180,000 | 1,000 | 14,337.90 |

* *Premiums are based on the standard rate, with ADB and PTD, of $0.90 per month per $1,000 of unpaid insured Investment Units. The substandard rate, with ADB and PTD, is $1.35 per month per $1,000 of unpaid insured Investment Units.*

† *Deductions for acquisition charges are detailed on page 12 and 13.*

Unit (or insured portion thereof) until ILI shall have paid the amount required in order to pay fully the insured Programholders' CAPINS (or insured portion thereof).

Any amount(s) in excess of that required to complete the CAPINS, or insured portion thereof, will be invested into a new Fully Paid Program in the name of the Programholder(s) less the authorized charges and fees set forth in this Prospectus.

## ADDITION OF INSURANCE TO AN EXISTING CAP

Subject to the normal rules applicable to his age, a CAP Programholder may apply at any time for insurance protection to cover the Investment Units remaining to be paid. The Programholder need only send a fully completed Statement of Health to the CAPINS Dept. at IOS Executive Headquarters.

Receipt by IOS of a Statement of Health will be considered receipt of an application for Insurance. If the application is approved by ILI, the Programholder will receive a Program Certificate Amendment designating the effective date of coverage.

## SAFEGUARDS AGAINST LAPSE OF INSURANCE.

If a Programholder regularly pays one Investment Unit each month, the premium for that month will be deducted from the investment, unless the Programholder specifically requests otherwise.

If the Programholder pays multiple Investment Units in advance, the insurance premiums not immediately required will be kept in a cash reserve which is drawn upon automatically as each subsequent premium becomes due.

If at any Program Due Date the necessary Investment Unit is not paid and there is no cash reserve from investments made in advance, the insurance protection remains in force for a grace period of 31 calendar days following that Due Date. If during this grace period further Investment Units are submitted, the necessary premium will be deducted and the insurance will remain in force.

If no investment is received during the grace period, shares will automatically be liquidated from the Programholder's account in order to pay the insurance premium due. This liquidation will take place on the Due Date following that for which no investment was received and liquidations will be repeated when necessary up to a maximum of five liquidations during any continuous period of insurance coverage and provided that sufficient shares remain in the account.

If the Programholder resumes regular investment payments, the share liquidation process will not take place and the necessary premiums will be deducted from the investments.

After five share liquidations, the insurance coverage will lapse and the Programholder may then apply for reinstatement or may continue to remit investment units to the uninsured Program.

## REINSTATEMENT OF INSURANCE PROTECTION

A Programholder whose insurance coverage has either lapsed or been terminated may apply for

reinstatement of coverage. Each investor desiring to reinstate his insurance must submit a written request to IOS accompanied by a newly completed Statement of Health. ILI may request additional medical or other information as a prerequisite to reinstatement. ILI reserves the right to reinstate the insurance in a premium class other than that granted for the original coverage.

If renewed coverage is obtained, the investor will receive a Program Certificate Amendment specifying the date on which the renewed coverage takes effect. The Investment Confirmation next following reinstatement will show a deduction for the insurance premium. There is no charge for reinstatement. For the purposes of the grace period and the share liquidation safeguards, reinstated CAPINS will be considered as newly issued CAPINS.

### TERMINATION OF INSURANCE PROTECTION

Insurance coverage will terminate:

1. Upon termination of the Policy between IOS and ILI.
2. On the Program due date next following the insured Programholder's sixtyfifth birthday.
3. Upon the death of the insured Programholder.
4. On the Program due date next following receipt of the Programholder's written request for termination.
5. On the 31st day after the Program due date on which a premium from a Programholder is due and not received by ILI.
6. On the date on which the Program was fully liquidated.
7. On the date the Programholder's account is registered in the name of another person.
8. On the date of expiration of the term of insurance coverage.

## Rights and Privileges Available only under the Program

### REDUCED ACQUISITION CHARGES

The normal schedule of acquisition charges on Fully Paid investments can often be substantially reduced through one of the three following Program privileges:

Letter of Intent (LOI)
Right of Accumulation (ROA)
Maximum Growth Plan (MGP)

### LETTER OF INTENT (LOI)

An investor who plans to make a series of Fully Paid Program investments over a specified period of time, the total amount of which would warrant a lower acquisition charge than that applied to the individual investments (see Table, page 7), may obtain the benefit of reduced acquisition charges by completing a Letter of Intent (LOI).

Each investment made during the term of the LOI will be subject to the charge normally applied to that amount. However, the difference between this charge and the lower charge applicable to the face amount of the LOI will be refunded in additional Fund shares at the net asset value in effect upon completion of the LOI, or prior thereto whenever the aggregate investment passes any intermediate acquisition charge level.

A Programholder may effect partial redemptions during the term of the LOI. However, reinvestment of such redeemed proceeds will not be applied toward the completion of the LOI, but will be reinvested free of charge according to regulations governing replacement of partial redemption proceeds, outlined on page 22. The minimum total investment required to complete a 13-month LOI is $ 10,000, with a minimum initial investment of $ 3,000. The minimum total investment for a 24-month LOI is $ 25,000 with a minimum initial investment of $ 10,000. The subscribed investment intention may be increased at any time during the period covered by the LOI.

An LOI does not legally commit the investor to complete the designated face amount. If the total investments made within the term of the LOI fall short of the face amount, and thus the maximum charge reduction is lost, these investments will still benefit from any intermediate charge reduction which may have been earned. Additional investments subsequent to the expiration of the LOI may qualify for reduced acquisition charges through the application of the Right of Accumulation.

LOI applications must be endorsed by the IOS Associate and accompany the Program Application There is no charge for an LOI.

## RIGHT OF ACCUMULATION (ROA)

A Programholder owning one or more Fully Paid or completed CAPs in any one or more of the Funds may qualify for reduced acquisition charges on new investments if:

1. the total amount invested in all existing Programs plus the amount of the new investment qualifies for an acquisition charge lower than that of the new investment alone; or

2. the total net asset value of all existing Programs as computed on the day the new investment is processed, plus the amount of the new investment qualifies for an acquisition charge lower than that of the new investment alone.

The method of calculation affording the lowest acquisition charge will apply. The new investment must include the Programholder's name(s), the Program Account Number(s), and be clearly identified as eligible for the Right of Accumulation.

## MAXIMUM GROWTH PROGRAM (MGP)

The MGP consists of a simultaneous investment in a CAP (with a minimum initial investment of 13 Units) and a Fully Paid Program. The Fully Paid and the CAP may be in different Funds. The investor opening an MGP may benefit from reduced acquisition charges because Right of Accumulation credit is given for the full face amount of the CAP in determining the applicable acquisition charge rate for the Fully Paid Program. In like manner, all subsequent investments will receive Right of Accumulation consideration including the face amount of the CAP as well as all prior Fully Paid investments.

An MGP is thus the only way in which an uncompleted CAP may be used to determine eligibility for reduced acquisition charges. Both the CAP and the Fully Paid Program must be submitted on a single Application. However, the payments for the separate Programs must be made individually. All documents must be marked "MGP".

Acquisition charges applied to the Fully Paid segment of an MGP may be reduced still further through the addition of a Letter of Intent for a face amount greater than that of the MGP. An MGP may also be applied toward the completion of a prior unexpired Letter of Intent.

## PROGRAM REDEMPTION

In order to safeguard Programholder interests, redemption instructions directing proceeds to a person or persons other than the Programholder(s) will normally require an accompanying signature-guarantee of:

1. a commercial bank having a correspondent or branch in New York City or in Switzerland, or

2. a United States Embassy or Consulate or an Embassy or Consulate of a Western European country, or

3. an IOS General, Divisional or Regional Manager.

If such instructions are included in an Automatic Withdrawal application which accompanies the opening of a new Program, the signature guarantee need not be furnished. Program redemptions are subject to the prior collection of all remittances.

Although redemption proceeds are normally paid in U.S. dollars, a Programholder may request that the proceeds be paid in any freely convertible currency approved in advance by IOS, regardless of the denomination of the currency(ies) originally invested.

There are three types of Program Redemptions available:

Automatic Withdrawal Service
Partial Redemption
Complete Redemption

## AUTOMATIC WITHDRAWAL SERVICE

The Automatic Withdrawal of a portion of capital to yield a specified distribution on either a monthly, quarterly, semi-annual or annual basis may be requested by a Programholder who has either purchased a minimum of $10,000 in one or more of the Funds offered under the Program, or owns Fund shares with a current net asset value of $10,000 or more.

All shares currently and wholly owned in Fully Paid and/or completed Capital Accumulation Programs may be added together for the purpose of qualifying for an Automatic Withdrawal.

Periodically, as instructed, a sufficient number of full and fractional Fund shares will be sold on or before the 10th day of the month at the then current net asset value from the account(s) the Programholder has designated to provide the specified distribution (minimum individual distribution $50 per Program). To become effective, all Automatic Withdrawal instructions must be received by IOS at least 10 days prior to the end of the month preceding the desired action. A check will be mailed to the Programholder or to his designated payee. A fee of $1.00 per withdrawal may be charged for this service. Automatic Withdrawal instructions may be changed or cancelled at any time.

The Programholder may reinvest, without charge, up to the total dollar amount of the distributions made under his Automatic Withdrawal (minimum reinvestment is $100). Distributions under an Automatic Withdrawal represent a reduction of capital rather than dividend or interest income*. Therefore, should redemptions exceed the growth in value of the shares remaining in his account, the Programholder's total capital will be proportionately decreased. He may, of course, purchase additional Fund shares at any time.

## PARTIAL REDEMPTION

Redemption of up to 90% of the then current net asset value of the Fund shares held may be requested. Up to this maximum amount, the Programholder may instruct that either a specific number of shares, a specific monetary amount, or a specific percentage of the Program's value be redeemed. Such redemptions may be effected at any time with a Fully Paid Program. A CAP Programholder, however, must have a minimum of 13 Units to exercise this right.

The redemption request must be in the form of a letter of instruction signed by the Programholder(s) and including his name, mailing address and Program Number. The Programholder will in turn receive a check for the amount of the redemption proceeds. There is a $5.00 Partial Redemption fee and the minimum cash redemption permitted is $100. IOS cannot accept requests for the redemption of Fund shares at a specified share price nor for a specified date.

At any time during the life of the Program, the Programholder may reinvest without charge all or part of the amount previously redeemed. However, each reinvestment must be at least $100. Shares thus reacquired are purchased at the share price current on the date of the reinvestment. Remittances for reinvestment must be clearly marked "Replacement of Partial Redemption proceeds." Please note, however, that regardless of the method specified to effect the Partial Redemption, the Programholder may reinvest without charge only up to the total dollar amount realized by the Partial Redemption.

## COMPLETE REDEMPTION

Programs may be terminated at any time by instructing IOS to redeem all the shares held. The Program Certificate or a properly executed Affidavit of Lost Program Certificate must accompany the signed Letter of Instruction. In the absence of the Program Certificate (or Affidavit of Lost Program Certificate) IOS may, in the interest of client protection, retain a portion of the shares in the Program pending receipt of the document.

The shares will be sold at the share price in effect on the date of redemption and the proceeds forwarded as per the Programholder's instructions.

Once a Program is terminated, no further rights and privileges exist thereunder. Therefore, Programholders are strongly urged to consult with their local IOS Associate or Manager before issuing instructions for Complete Redemption. It is likely that, within the range of rights available under

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* *Dependent upon local law, systematic redemptions may be construed as income to the recipient. In such cases, the Programholder should consult with local counsel to determine possible tax consequences.*

the Program, the same objectives can be fulfilled without compromising financial goals.

## CHANGE OF PROGRAMHOLDER

### PROGRAM TRANSFER

A Programholder may at any time transfer at no charge (other than any applicable transfer tax) all or part of his Program to another person or institution acceptable to IOS, who has made application for a similar Program.

### PROGRAM ASSIGNMENT

All or any part of a Program may be assigned without charge to a bank, other financial institution or another individual. Upon request of the assignor or receipt of proof that the shares have been properly assigned, IOS will record the assignment and block the account to preclude liquidation of the shares assigned, until notified by the assignee that the assignment has been released. During the term of the assignment, the assignee may instruct IOS to liquidate shares of the Program up to the Dollar amount of the assignment.

### FUND SHARE ISSUANCE

Occasionally, a Programholder may require direct possession of the underlying Fund shares normally held in custodianship on his behalf. Issuance of a Fund Share Certificate (as distinguished from a Program Certificate) will be made upon receipt of a Letter of Instruction (including the Programholder's name, address and account number) together with a fee of $5.00. This right applies to Fully Paid Programs or CAPs with a minimum of 13 Investment Units completed. The minimum value of the shares to be removed from custodianship and issued is $100. A request for issuance of all or part of the Fund shares accumulated under the Program will be complied with up to the nearest whole share. Fractional shares, if any, will remain in custodianship under the Program or may be redeemed on request.

Issuance of a Fund Share Certificate will not, in itself, terminate the Program (i.e. subsequent investments to the Program may always be made subject to normal charges). However, all Program rights and privileges (other than the right of assignment) with respect to the Fund shares issued will be suspended until such time as the shares are returned to custodianship. The issuance and return of Fund shares may be subject to local transfer taxes which are solely the responsibility of the Programholder.

### PROGRAM CERTIFICATE REPLACEMENT

If a Program Certificate is lost, stolen, or destroyed, the Programholder may receive a replacement certificate without charge. When deemed necessary, an Affidavit of Lost Certificate will be requested. The Affidavit must be signed in the exact manner as the original Program Application and signature guaranteed in accordance with the procedure described on page 21.

## Fund Reports

Immediately following every Program transaction, an Official Investment Confirmation will be issued giving full details of the transaction and confirming

the new total of shares held in the Account. A Programholder will also receive periodic reports for each Fund in which he holds shares. These reports review the Fund's current holdings, performance, and other pertinent information. At least annually, the Programholder will be sent a financial statement and auditors' report for each of the Funds owned. Arthur Andersen & Co., an independent public accounting firm, is retained to audit the books and records relating to the Program and to certify their findings. It is the current policy of IOS to prepare and send Programholders a year-end Statement of Account; a computer produced confirmation of each Account balance at year-end.

Leading newspapers throughout the world, including the International Herald Tribune, carry daily quotations of the share price of most of the Funds available under the Program. In addition, share price quotations are regularly included in the regional editions of Time, Newsweek, and Visión.

## Contingent Program Revisions

Should any of the Funds originally and/or presently available under the Program no longer offer its shares either generally or in a particular jurisdiction, or cease to be offered under the Program, IOS reserves the right to substitute the shares of another fund of comparable quality and investment objective for the shares already purchased, and/or scheduled for purchase to complete existing Programs.

Prior to such a substitution, IOS will notify each affected Programholder in writing, whereupon all outstanding Program Certificates and Fund Share Certificates must be surrendered to IOS within 30 days following the notice. New certificates and an Investment Confirmation reflecting the substitution will be issued promptly to the Programholders. All costs incurred will be borne solely by IOS.

If for any reason Fund shares under the Program are not available for purchase for a period exceeding 90 days, and IOS has not substituted the shares of another fund, IOS is authorized, but not required, to terminate all Programs involved, without further notice. In the event that any financial institution presently providing services to the Program or to the Funds should cease to perform its functions, IOS may, at its sole discretion, choose a successor institution. The successor must, however, be a bank or trust company with a net worth in excess of $5 million or the equivalent in local currency.

## Program Sponsor and Distributor

Investors Overseas Services Limited, a Bahamas company, is a wholly owned subsidiary of I.O.S., Ltd. (Canada) and is the largest mutual fund and investment program distributor wholly specializing in the international market. Approximately 1 million clients are served by some 15,000 Associates operating from more than 250 field offices throughout the world. On December 31, 1969, total assets under management were approximately

$2 billion while an additional $2.3 billion in Program face value was scheduled for completion by IOS clients.

IOS provides the office space, facilities, computer installations, and accounting and administrative staff required to administer the Program. All of the sales, advertising and promotion expenses connected with the continuing world wide distribution of the Program are paid for solely by IOS.

Prospectuses and related literature explaining the Program and the Funds are available in English, Chinese, Dutch, French, German, Italian, Japanese, Portuguese and Spanish. Where a translation has been made from English into another language, the English language publication of most recent date will be the final reference in all questions of interpretation, unless specific exceptions to the official English text have been approved in writing by IOS Geneva.

IOS Sales Associates are qualified to discuss in detail all aspects of the Program, but no person is authorized to make any representations other than those contained in this Prospectus, or in other literature issued by IOS or a Fund available under the Program. The official records of IOS, the Program, and, where applicable, ILI, will be taken as the definitive and final authority for all matters arising under the Program.

Plaintiffs' Exhibit 6

JUN 14 1974

LIST OF U.S. RESIDENTS HOLDING FUND SHARES

***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I100011-C033 | DR. SAMUEL P. OLSHER<br>AND MRS ALBERTA A. OLSHER<br>MAIN ST. BOX 186<br>WHITE HOUSE STATION<br>NEW JERSEY 08889<br>U.S.A. **OCN10 6 | 192.071 | | | | Z |
| I100102-C052 | MR.MERANT AVEDISSIAN<br>50 CARVER RD. E.<br>WATERTOWN, MASS.<br><br>USA | 5.255 | | | | Z |
| I100616-C043 | MR DONALD LEE BERG<br>P.O. BOX 2307<br>LONGVIEW<br>TEXAS<br>U.S.A.<br>**CCN00 4 | 391.857 | | | | Z |
| I100747-C066 | MR CHARLES J.LAHEY<br><br>11109 BYBEE STREET<br>SILVER SPRING<br>MARYLAND<br>U.S.A. | 59.378 | | | | Z |
| I100897-C071 | MR. HUGH F. TOLLEY<br><br>1203 S.W.KING GEORGE DR.<br>KINGS CITY<br>OREGON<br>U.S.A. **OCN10 6 | 1,615.405 | | | | Z |
| I102070-C021 | MISS DOROTHY M.SLAK<br>C/O KELLY RUTH<br>12906 HAVANA ROAD<br>GARFIELD HEIGHTS OHIO<br>U.S.A.<br>**OCN10 6 | 262.229 | | | | |

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Woods, Gordon & Co.

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I102078-C001 | MR JONAS ZUKAUSKAS<br>HQ CO, 8TH ENG. BN.<br>APO 24<br>SAN FRANCISCO<br>CALIFORNIA<br>U.S.A. **CCN10 6 | 12.644 | | | | Z |
| 1200153-C068 | DR BERJ A. CUEYIKIAN<br>4240 DEMPSTER MEDICAL BDLG.<br>SKOKIE<br>ILLINOIS 60076<br>U.S.A. | 142.732 | | | | Z |
| 1200331-C066 | MR RICHARD E. SNYDER<br>4411 NO 40-STR<br>APT 43<br>PHOENIX<br>ARIZONA **1CA007,4 | 1.360 | | | | Z |
| 1200479-C050 | MISS GAIL HOWARD<br>145 GARFIELD PLACE<br>MONROVIA<br>CALIFORNIA 91016<br>USA **1CA007,4 | 132.256 | | | | Z |
| 1200518-C054 | MR LEMUEL BHASKAR KUNDARGI AND<br>MRS CHINNAMMA KUNDARGI<br>1471 GOLDEN ARROW WAY<br>APT. 4<br>LAS VEGAS<br>NEVADA 89109, U.S.A. | 757.510 | | | | Z |
| 1200806-C063 | MR. SPIROS COUTSOURIS<br>S/S NILOS MARTRAN STEAM<br>SHIP CO. INC. 29 BROADWAY<br>NEW YORK 10006 N.Y.<br>U.S.A. | 3.754 | | | | Z |

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W.D.C.
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Woods, Gordon & Co.

LIST OF U.S. RESIDENTS HOLDING FUND SHARES

***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I200947-CD87 | MR.LAWRENCE A.CANADY<br>127TCHEFUNCTE DRIVE<br>COVINGTON<br>LOUISIANA 70433<br>U.S.A. **1CN007,4 | 47.850 | | | | Z |
| I201183-CD62 | MR. EMMANUEL PAPA COPCULCS<br>M/V JONIAN MARINER<br>UNIVERSAL MARITIME AGENCIES<br>52, BROADWAY<br>NEW YORK N.Y.4.<br>U.S.A. | 3.175 | | | | Z |
| I201354-CD99 | MRS BARBRO T WOOD<br>835 PINE STREET, APT. 2-B<br>SAN FRANCISCO<br>CALIFORNIA 94107<br>USA **1CN007,4 | 25.497 | | | | Z |
| I201420-CD66 | MISS GILANDOKHT MAGHROORI-RAD<br>82-35 134 Th STREET<br>APARTMENT 5B<br>KEW GARDENS<br>NEW YORK N.Y. 11435 USA | 65.1[illegible] | | | | Z |
| I202207-CD15 | MR. ALEXANDER G.HARDMAN<br>35 ELDORADO PLACE<br>WEEHAWKEN<br>NEW JERSEY 07087<br>U.S.A. | 20.487 | | | | Z |
| I202311-CD66 | MR.WILLIAM G. NIXEY<br>U.N.C.P.<br>GRAND CENTRAL P.O.BOX 20<br>NEW YORK, N.Y.10017<br>U.S.A. | 26.026 | | | | Z |

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| | | | | |
|---|---|---|---|---|
| | 90 WEST ST.<br>NEW YORK, N.Y.10006, USA | | | |
| I202664-CD21 | MR.TORBJORN JACOBSEN<br>RADIO-OPERATOR<br>M/S SEFRA,STATE MARINE LINES<br>LONG BEACH<br>CAL. U.S.A. | 240.721 | | Z |
| I203156-CD11 | MR.STEN OFSAHL<br>M/S TORANDOT C/O BARBER LINES<br>17 BATTERY PLACE<br>NEW YORK 10004<br>N.Y. U.S.A. | 773.605 | 138.07 | Z |
| I203202-CD66 | MR.GEORGE P ANTONIADIS<br>RADIO O, S/S HEROIC<br>TRITON SHIPPING INC.<br>26 BROADWAY<br>NEW YORK 1004 N.Y.<br>U.S.A. | 3.633 | | Z |
| I203203-CD76 | MR.ALEXANDROS D.ZAFIRIS<br>ELECTRICIAN S/S HEROIC<br>TRITON SHIPPING INC.<br>26 BROADWAY<br>NEW YORK 1004 N.Y.<br>U.S.A. | 5.442 | | Z |



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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IDS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I206052-CD44 | MR BENITO Z LIM<br>2034 N.W. 62ND STREET<br>SEATTLE<br>WASHINGTON 98107<br>USA | 9.465 | | | | Z |
| I206407-CD39 | MR FENG CHIAN<br>T/T FARAH PAHLAVI<br>IRAN DESTINY CARRIERS INC.<br>RM. 320, 230 PARK AVE.<br>NEW YORK, N.Y.10017,U.S.A. | 27.655 | | | | Z |

| | | | |
|---|---|---|---|
| 1207396-C015 | MR ROBERTO J.BONIFAZ AND<br>MRS BLANCA MEJIA<br>CONSULADO GENERAL DEL PERU<br>FALKIRK 4034<br>HOUSTON<br>TEXAS 77025, U.S.A. | 170.155 | Z |
| 1208227-C013 | MR EMMANUEL N.BROOKS<br><br>P.C.ECR 1212<br>ABERDEEN<br>WA.98520<br>U.S.A. | 63.846 | Z |
| 1208614-C022 | MISS CECILIA L.INGLES<br><br>66 WYCKOFF, APT.4<br>NEW BRUNSWICK<br>N.J. 08901<br>U.S.A. | 1.053 | Z |
| 1208876-C068 | MR AGISSILAOS V.LABROU<br><br>M/V SKIROS<br>TRITON SHIPPING,INC.26<br>BROADWAY,NEW YORK 10004 N.Y.<br>U.S.A. | 20.770 | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1210052-CD58 | MRS MABEL E.LOGAN<br>2524 KIMBERLY DRIVE<br>SILVER CITY<br>NEW MEXICO 88061<br>USA | 193.954 | | | | Z |
| 1211501-CD94 | MR NICOLAOS ATH.AGOUSSOS<br>M/T BESSIE A. PAPPAS<br>ESSO INTERNATIONAL<br>51 WEST 51 STREET<br>NEW YORK, N.Y.10019, USA | 65.317 | | 0.16 | | Z |
| 1212003-CD65 | MR JACK E.YOST<br>1615 SHELLEY ST.<br>MURFREESBORO TENN.37130<br>U.S.A. **ICN007.4 | 15.490 | | | | Z |
| 1212627-CD67 | MR.EDWARD F. BARBOUR<br>PAGE COMMUNICATIONS<br>APO SAN FRANCISCO 96309<br>U.S.A. | 38.079 | | | | Z |
| 1214318-CD48 | MR GEORGE I.LIRAKIS<br>1827-82 STREET<br>BROOKLYN<br>N.Y.11214<br>USA | 496.185 | | | | Z |
| 1215361-CD74 | MRS ABDALLAH R.EL NASSER<br>P.O.BOX 75<br>HILLSDALE MICH 49242<br>U.S.A. | 113.839 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1215456-CD33 | MR KONSTANTINOS IOAN.VLACHOS<br>138-17 STREET<br>GLITTENBURG<br>NEW JERSEY<br>USA | 13.678 | | | | Z |
| 1216030-CD92 | MR CHARLEY HAMILTON<br>7401 WEST BOULEVARD<br>INGLEWOOD<br>CALIFORNIA<br>USA | 111.667 | | | | Z |
| 1216665-CD45 | MR LOTHAR MUELLER<br>8007 READING AVENUE<br>LOS ANGELES<br>CALIFORNIA 90045<br>USA | 7.735 | | | | Z |
| 1217105-CD90 | MR LEONARDO O.KANG<br>SURIGAO<br>SURIGAO DEL NORTE<br>PHILIPPINES | 577.285 | | | | Z |
| 1217700-CD00 | MR KWONG WAH YICK<br>4617 36 ST. N.W.<br>APT. 206<br>WASHINGTON D.C.20008<br>USA | 0.060 | | | | Z |
| 1217957-CD95 | DR JAMAL ABDUL-KARIM FUAD<br>C/O MR EDWARD DRURY<br>SHADY BEACH ROAD, ROUTE 1<br>SHAKOPEE, MINNESOTA<br>U.S.A. | 406.605 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1210251-CD66 | MR ANTONIOS CHAR PRASSOULAS<br>M/V ICARIAN SKIPPER, MESSRS<br>UNIVERSAL MARITIME AG.LTD.<br>52 BROADWAY<br>NEW YORK, N.Y.10004, USA | 115.640 | | 5.05 | | Z |
| 1221756-CD73 | HERRN PETER KASTL<br>10 BEVERLY DR.<br>DANBURY<br>CONNECTICUT 06810<br>USA 5A | 22.631 | | 4.00 | | Z |
| 1222993-CD64 | MR MARTIN KARLSEN<br>C/O DANISH UNION<br>SOUTH ELLICT PLACE 155 I<br>BROOKLYN<br>NEW YORK<br>U.S.A. | 269.783 | | 5.00 | | Z |
| 1226371-CD86 | MR PICK<br>FOR JESSICA PICK<br>4332 BEN AVENUE<br>STUDIO CITY<br>CALIFORNIA 91604<br>U.S.A. | 131.630 | | | | Z |
| 1228379-CD68 | MR RIZALINO V.ECNIFACIO<br>357 VIEW ST., APT. 7<br>MOUNTAIN VIEW<br>CALIFORNIA 94040<br>USA | 12.202 | | | | Z |
| 1228529-CD83 | MR BERNT KROHG<br>S/S CRE-NEPTUNE<br>NATIONAL BULK CARRIERS INC<br>1345 AVENUE OF THE AMERICANS<br>NEW YORK 10019 USA | 292.630 | | 51.31 | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1229022-CD64 | MR SOTIRIOS D.FASOIS<br>M/T CAPTAIN JOHN CHIEF ENG.<br>C/O IONIAN SEA OPERATORS INC.<br>29 BROADWAY<br>N.Y.10006<br>U.S.A. | 25.555 | | | | Z |
| 1229110-CD53 | DR.EARMAN SHEIKH-OL-ESLAMI<br>144 N. EL MONTE<br>LOS ALTOS<br>CALIFORNIA 94022<br>USA | 3.809 | | | | Z |
| 1230168-CD49 | MISS ASUNCION V.MEDINA M.D.<br>C/O A. VER PARAISO<br>154-26 BARCLAY AVE.<br>FLUSHING<br>N.Y.11355, U.S.A. | 142.846 | | 12.13 | | Z |
| 1230969-CD39 | MR EMMANUEL KOUTSOURAKIS<br>S/S PHOTEINOS<br>GLOBAL CHARTERING AND<br>BROKERAGE INC., 29 BROADWAY<br>NEW YORK, N.Y.10006, USA | 5.504 | | | | Z |
| 1231871-CD41 | MR GEORGIOS S.ARAPIS<br>M/T CAPTAIN JOHN<br>IONIAN SEA OPERATION INC.<br>29 BROADWAY<br>NEW YORK 6<br>U.S.A. | 16.844 | | | | Z |
| 1232525-CD57 | MR FINN T.DAMKILDE<br>AND/OR MRS MARINA DAMKILDE<br>C/O THE WEST INDIAN CO.LTD.<br>CHARLOTTE AMALIE<br>ST.THOMAS<br>VIRGIN ISLANDS | 16.567 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I233239-CD69 | MR APOS COHEN<br>4524 LAKEWOOD BLVD.<br>LONG BEACH<br>CALIFORNIA 90808<br>USA | 5.674 | | | | Z |
| I234872-CD54 | MR ISIDORO A.ALIMENTO<br>14802 VAN BUREN AVE.<br>GARDENA<br>CALIFORNIA 90247<br>USA | 371.104 | | | | Z |
| I235668-CD94 | MR FERNANDO C.GONZALES<br>40 HYACINTH ST.<br>ROXAS DISTRICT<br>QUEZON CITY<br>PHILIPPINES | 121.530 | | | 161.05 | Z |
| I236944-CD83 | MR ELEFTHERIOS C.AGAPALOGLOU<br>M/V EKATERINI M.COULANDRIS<br>GLOBAL CHARTERING AND<br>BROKERAGE CO.INC., 29 BROADWAY<br>NEW YORK, N.Y.10006, USA | 91.295 | | 5.03 | | Z |
| I237495-CD49 | MR THEOCHARIS A.PAPADAKIS<br>S/T OLYMPIC CLOUD<br>C/O CENTRAL AMERICAN INC<br>647 FIFTH AVENUE<br>NEW YORK N.Y. 10022 U. S. A. | 190.654 | | 8.83 | | Z |
| I237707-CD90 | MR N.KOKINAKIS C.<br>S/S PANTAZIS L<br>C/O CERES SHIPPING INC.<br>NIS.RECTOR STREET<br>NEW YORK 6<br>U.S.A. | 33.659 | | | | Z |

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IDS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDD LCT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1240164-CD19 | MISS MURIEL E.FINLEY<br>132-12 FOCH BLVD.<br>SO OZONE PARK<br>NEW YORK 11420<br>USA | 62.860 | | | | 2 |
| 1240420-CDC5 | MISS PERMINA A.BERNARDO<br>1535 N.ALEXANDRIA AVENUE 104<br>LOS ANGELES<br>CALIFORNIA 90027<br>USA | 2.810 | | | | 2 |
| 1240610-CD24 | MR EVANGELOS P.LIAPIS<br>M/V CAPTAIN DEMOSTHENES<br>POLLIS MARINE AGENCIES INC.<br>25 BROADWAY<br>NEW YORK,N.Y.10006,U.S.A. | 39.060 | | 0.46- | | 2 |
| 1241277-CD51 | MR WAYNE T.PHILLIPS<br>2627 ST.PAUL ST,<br>BALTIMORE<br>MARYLAND 21218<br>U.S.A. | 135.648 | | | | 2 |
| 1245103-CDC6 | MR ED.M.SISCO<br>ALASKA BARGE AND TRANSPORT INC<br>C/O CIC MISTS UNIT<br>APO SAN FRANCISCO 96312<br>CALIFORNIA, USA | 86.117 | | | | 2 |
| 1246788-CD17 | MR GERSHON KERES<br>M/V HARPERON<br>MARITIME OVERSEAS CORP.<br>511 FIFTH AVENUE<br>NEW YORK, N.Y.17, USA | 81.125 | | 0.58 | | 2 |

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Woods, Gordon & Co

I.C.S. FILE

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|---|---|---|---|---|---|---|
| 1248CE1-CD79 | MR CHARALAMPOS MENDRINOS<br>T/S TRADE ENDEAVOR<br>BROKERAGE & MANAGEMENT CORP.<br>76, BEAVER STREET<br>NEW YORK N.Y. 10005, U.S.A | 283.152 | | | | C |
| 1248455-CD90 | MR ZANIS POLEMIS<br>S/T ANDROS SEA<br>GLOBAL CHARTERING & BROKERAGE<br>25 BROADWAY<br>NEW YORK,N.Y.10006,U.S.A. | 12.924 | | 10.44- | | Z |
| 1250787-CD11 | DR.ROMAN R.CALICA<br>813 SCOTT AVENUE<br>OSHKOSH<br>WISCONSIN 54901<br>U.S.A. | 61.898 | | 25.00 | | Z |
| 12547C4-CD87 | MR DIMITRIOS G.SIDERIS<br>S/T PROTEA, C/O NATIONAL<br>SHIPPING AND TRADE CORP.<br>10 COLUMBUS CIRCLE<br>NEW YORK,N.Y. 10019, USA | 67.716 | | 47.80 | | Z |
| 1255701-CD58 | MR WILLIAM H.SALES<br>M/V FREEPORT,C/O M.T.T.C.<br>1015 PORT BLVD.<br>LOCOC ISLAND<br>FLORIDA 33132, U.S.A. | 604.883 | | | | C |
| 1256676-CD96 | MR ANTHONY SIMON G.CASTELLINO<br>M/T LUCRETIA, C/O OCEAN<br>SHIPPING AND TRADING CORP.<br>1 CHASE MANHATTAN PLAZA<br>NEW YORK, N.Y.5, USA | 46.645 | | | | Z |

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U.S.A. FILE

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|---|---|---|---|---|---|---|
| 1261661-CD50 | MR CHONG CHON YI<br>693 S.SHATTO PL.<br>APT. 209<br>LOS ANGELES<br>CALIFORNIA 90005,U.S | 79.760 | | | | Z |
| 1266603-CD79 | MR NIKOLA URODA<br>M.V.MADISON FRIENDSHIP<br>OCEAN FREIGHTING-BROKERAGE CO.<br>80 BROAD STREET<br>NEW YORK 10004 N.Y.<br>U.S.A. | 19.391 | | | | Z |
| 1267940-CD74 | MRS.KLM JA POWELL<br>2972 MCCLURTH NO.18<br>OMAHA<br>NEBRASKA 68105<br>U.S.A. | 38.591 | | | | Z |
| 1268189-CD89 | DR.WILFRIDO HERRERO<br>4132-A HARTFORD STREET<br>ST.LOUIS<br>MISSOURI 63116<br>USA | 5.285 | | | | Z |
| 1269362-CD30 | MR EILERT J.DE JONG<br>6035 MCCORMONT ROAD<br>ALEXANDRIA<br>VIRGINIA 22307<br>U.S.A. | 136.430 | | | | Z |
| 1270406-CD93 | MR ELEFTERIOS MPEFANIS<br>S/T OLYMPIC BREEZE<br>CENTRAL AMERICA'S STEAMSHIP AG<br>647 FIFTH AVENUE<br>NEW YORK, N.Y.10022, U.S.A. | 204.303 | | 42.05 | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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|---|---|---|---|---|---|---|
| I270407-C003 | MR CHRISTOS SIRIVLIS<br>S/T OLYMPIC BREEZE<br>C/O CENTRAL AMERICAN STEAMSHIP<br>647 FIFTH AVENUE<br>NEW YORK NY 10022<br>U.S.A. | 590.448 | | | | Z |
| 1273456-C091 | MR LEONIDAS G.KATSIKIS<br><br>C/O PONJIC'S BROOKLAWN DINER<br>RT. 130 & BROWNING RD.<br>BROOKLAWN, N.J.<br>U.S.A | 31.675 | | 12.59 | | Z |
| 1274031-C000 | MR SPYRIDON STRAVOPAVOIS<br><br>52 WALRAVEN DRIVE<br>TEANECK<br>NEW JERSEY<br>USA | 114.014 | | 7.30 | | Z |
| 1275362-C044 | MR.SPYRIDON GEORGANTAS<br><br>S/T DIONE, OCEAN BROKERS INC<br>770 LEXINGTON AVENUE<br>NEW YORK N.Y. 10021<br>U.S.A | 424.851 | | | | C |
| 1276192-C028 | MRS YVETTE NICHOLIS<br><br>3206 S MANN AVE APT 2<br>TUCSON<br><br>01-F.V. (GER) | 146.196 | | 11.62 | | Z |
| 1276756-C024 | MISS W.TANTIPATHANANANDH<br><br>1111 W. HOLLYWOOD AVE.<br>CHICAGO<br>ILLINOIS 60660<br>U.S.A. | 2.656 | | | | Z |

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|---|---|---|---|---|---|---|
| 1278967-CD57 | MR JOSEPH N.MANSOUR<br>825 ELM DRIVE<br>RIDGEFIELD<br>N.J. 07657<br>U.S.A. | 348.328 | | | | Z |
| 1280117-CD84 | MR OLE E.PEDERSEN<br>TVEDESTRAND<br>NORWAY | 253.349 | | | | Z |
| 1284766-CD33 | MR BERNHARD SCHMIDT<br>1215 ANDERS ROAD<br>LANSDALE<br>PENNSYLVANIA 19446<br>USA | 166.897 | | | | Z |
| 1296715-CD30 | MR CHENG SOO YUN<br>3706 PENNSYLVANIA<br>KANSAS CITY<br>MO. 64111<br>U.S.A. | 106.861 | | | | Z |
| 1302319-CD47 | MR JOSE MARIA LOPEZ CH.<br>M/V FRED M. BILLUPS<br>P.O.BOX 13034<br>FORT EVERGLADES<br>FLORIDA, USA | 115.222 | | | | Z |
| 1303729-CD89 | MR FLAVIO ILI ILASIN<br>AND/OR MRS MILAGROS L.ILASIN<br>505 SOUTH NORMANDIE AV. 10TH<br>LOS ANGELES<br>CALIFORNIA 90006<br>USA | 18.062 | | 0.25- | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1322129-CD48 | MR ALDO MARSIGLIA<br>AND/OR MR RENZO MARSIGLIA<br>C/O INCRES LINE,M/S VICTORIA<br>277 PARK AVENUE<br>NEW YORK, N.Y.17<br>U.S.A. | 417.614 | | 50.00 | | Z |
| 1325310-CD70 | MR PIERRE GOOSSENS<br><br>DEPT.OF GEOLOGY AND<br>GEOLOGICAL ENGINEERING<br>MICHIGAN TECHNOL.UNIVERSITY<br>HOUGHTON,MICH.49931, | 233.275 | | | | Z |
| 1326655-CD55 | MR YUET MAN LIU<br>KWUN TONG RESETTLEMENT<br>AREA BLOCK 8 ROOM 527 K/F<br>KOWLOON<br>HONG KONG<br>B.C.C. | 75.100 | | | | Z |
| 1330532-CD27 | MISS CATALINA S.MALUYO<br><br>52 1/2 SHARON<br>SAN FRANCISCO<br>CALIFORNIA 94114<br>USA | 2.561 | | | | Z |
| 1337612-CD32 | MR ESTANISLAO T.SALCEDO<br><br>330 LENOX ROAD, APT.2-H<br>BROOKLYN<br>NEW YORK 11226<br>U.S.A. | 41.635 | | | | Z |
| 1348674-CD89 | MR STEFANOS CH.GAVALAS<br>M/T ARTHUR P.<br>ESSO INTERNATIONAL INC.<br>15 WEST 51 STREET<br>N.Y.10019<br>U.S.A. | 43.494 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1350354-C049 | MR CHRISTOPHER A.LUMBO<br><br>COLUMBIA EXPORT PACKERS INC<br>APO SAN FRANCISCO 96639<br><br>USA | 13.709 | | | | Z |
| 1351501-C035 | MR ALFONSO LOPEZ CH.<br><br>C/O WALTER HOFFMAN<br>BOX 60<br>MINEY, PENNA.11756<br>U.S.A. | 33.216 | | | | Z |
| 1352949-C050 | MR NIKOLAOS G.KATSOTIS<br>M/V NAUSICAA<br>C/O LEEWARD STEAMSHIP CORP.<br>52 BROADWAY STR.<br>NEW YORK N.Y.10004 U.S.A. | 12.304 | | 27.41 | | Z |
| 1352950-C061 | MR THEODOROS D.FILIPPIDIS<br><br>C/O LEEWARD STEAMSHIPS CORP.<br>52 BROADWAY STR.<br>NEW YCK N.Y.10004<br>U.S.A. | 16.110 | | 0.03 | | Z |
| 1353952-C092 | MR JOSEPH HADDAD<br>HAR MERON SHIP<br>MARITIME OVERSEAS COMP.<br>P.O.B.3342 GD.CENTRAL P.OFFICE<br>NEW-YORK N.Y.10017<br>U.S.A. | 8.340 | | | | Z |
| 1356612-C051 | MR PRITAM SINGH PER<br><br>P.O.BOX 2016<br>MARYSVILLE<br>CAL. 95901<br>U.S.A. | 45.008 | | | | Z |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972



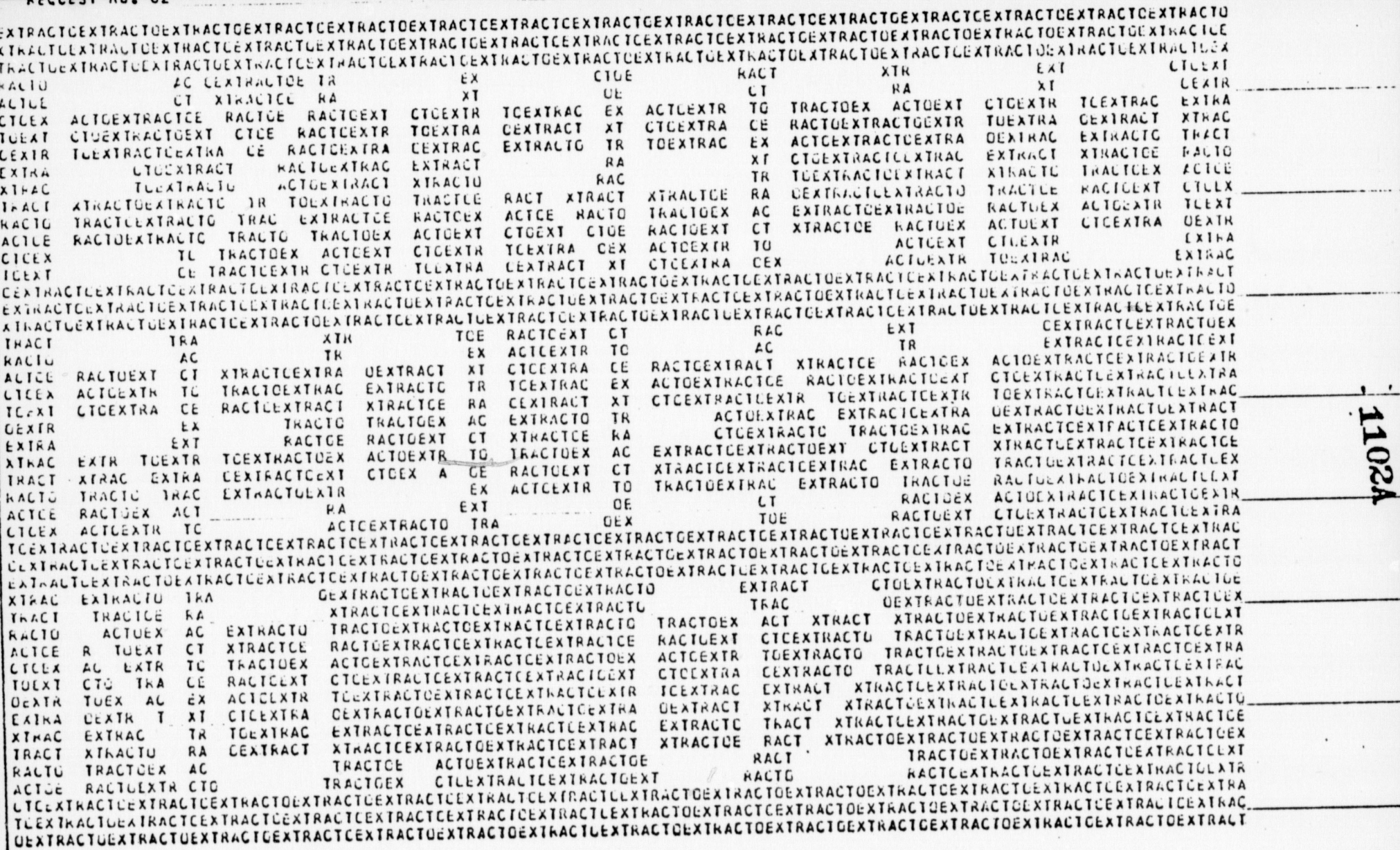
PLAN TYPE - CAPITAL ACCUMULATION  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1357702-CD61 | MRS FAY THEOKTISTO<br>2776 FLYNN COURT<br>MANDARIN-FLORIDA<br>U.S.A 32225 | 381.052 | | | | Z |
| 1359968-CD49 | MR SOTIRIS SHINAS<br>M/V JANICE L.CERES SHIPP.CO.<br>19 RECTOR ST.<br>NEW YORK N.Y.<br>U.S.A. | 6.832 | | 3.63 | | Z |
| 1604828-CD83 | MR LUDWIG NETSCHER<br>AND/OR MRS AGATHE NETSCHER<br>18944 PERKASIE/PA<br>SPRUCE CONSTITUTION STS.<br>U.S.A. | 127.507 | | | | Z |
| 1610754-CD42 | HERRN HERMANN GOSLAR<br>UND/ODER FRAU KARIN GOSLAR<br>5212 CORNELL<br>EL PASO<br>TEXAS<br>U. S. A. | 50.277 | | | | Z |
| 1633664-CD76 | DR.MED.KARL BERGER<br>UND FRAU BEATE BERGER<br>21 WALNUT ROAD<br>GLEN COVE<br>N.Y.11542<br>U.S.A. | 34.217 | | | | Z |

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107 RECORDS PROCESSED FOR THIS REQUEST

Gordon & Co



/////// INDICATES A DIVISION BY ZERO.
------- INDICATES INVALID NUMERIC DATA.
******* INDICATES NUMERIC DATA EXCEEDING THE SPECIFIED LENGTH,
OR A TOO LONG RESULT IN A MATHEMATICAL EXPRESSION.

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1100106-FD22 | MR RICHARD WARTENBERG<br>1174 - 77 ST.<br>BROOKLYN 28<br>NEW YORK<br>N.Y.<br>U.S.A. **CFN00 * | 485.095 | | | | Z |
| 1100661-FD08 | MR. LAWRENCE R. HAYES<br>5546 BEAR ROAD, APT.13-F<br>NORTH SYRACUSE<br>NEW YORK 13212<br>USA **CFN00 * | 1,148.699 | | | | Z |
| 1100665-FD88 | MR TERENCE METCALF<br>167 LLOYD AVENUE<br>PROVIDENCE<br>RHODE ISLAND<br>U.S.A. | 220.166 | | | | Z |
| 1100696-FD51 | MRS JOY N. HAYMORE<br>C/O EARL B. NICHOLS<br>87 COLUMBIA AVE.<br>EDGEWOOD,RHODE ISLAND 02905<br>U.S.A. **CFN00 * | 461.514 | | | | Z |
| 1100706-FD62 | MISS SARA M. DILLEY<br>MRS A.J.ENTZI<br>55 ELENA VISTA<br>YOUNGSTOWN OHIO 44512<br>U.S.A.<br>**CFN00 * | 210.513 | | | | Z |
| 1100725-FD54 | MRS GERTRUDE L. GASH<br>C/O GEORGE E. JONES<br>2005-6TH AVE.<br>KEARNEY<br>NEBRASKA<br>U.S.A. **CFN00 * | 429.261 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1100974-FD69 | MR THEODORE J. GOERING AND MRS SHIRLEY A. GOERING<br>RT.2 BOX 68<br>PETTY PRAIRIE<br>KANSAS 67570<br>U.S.A. **CFN00 * | 207.639 | | | | Z |
| 1200012-FD54 | MR CLEMENT A.F.HASTIE<br>18 GLEN LAKE DRIVE<br>LARCHMONT<br>NEW YORK, N.Y.10538<br>USA **1FN00 * | 40.413 | | | | Z |
| 1200623-FD25 | MR JOHN V. SCOTT<br>NEW ZEALAND MISSION TO THE UNITED NATIONS 22ND FLOOR<br>733 THIRD AVENUE<br>NEW YORK N.Y. 10017 USA | 817.475 | | | | Z |
| 1201232-FD77 | MR EDWARD MASON V.<br>1272 CARACAS AVE.<br>CLEARWATER<br>FLORIDA<br>U.S.A. | 1,597.742 | | | | Z |
| 1201660-FD50 | MR. ALEX L. SMITH<br>974 SHORE ROAD<br>CAPE ELIZABETH.<br>SOUTH PORTLAND<br>MAINE, U.S.A. | 131.150 | | | | Z |
| 1201669-FD62 | MR ALBERT C. MOLDENHAUER AND MRS FRANCES L.MOLDENHAUER<br>2700 LOXLEY AVE.<br>FAYETTEVILLE<br>ARKANSAS 72701<br>U.S.A **1FN10 * | 380.405 | | | | Z |

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Woods Gordon & Co

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IDS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1201747-F078 | MR GERARDO BERESCH<br>NORTH BAY WHITE HOUSE<br>1750 79TH CAUSEWAY<br>MIAMI BEACH FLORIDA<br>U.S.A. | 64.194 | | | | Z |
| 1202615-F046 | MR ARTHUR L DUFFY<br>922 SECOND STREET<br>FALL RIVER<br>MASSACHUSETTS<br>U.S.A<br>**1FN00 * | 132.293 | | | | Z |
| 1202664-F031 | MR ALBERT SIRCIS AND<br>MRS MILAGROS SIRCIS<br>6 BERNESE ST.<br>FAIRHAVEN<br>MASS.02719<br>U.S.A. **1FN00 * | 148.464 | | | | Z |
| 1203217-F027 | MR APOSTOLOS L DEPASTAS<br>S/S SERIFOS C/O GLOBAL<br>CHARTERING BROKERAGE CO INC<br>29 BWAY<br>NEW YORK<br>10006 USA | 139.209 | | | | Z |
| 1203362-F082 | MR HAROLD R FEATHERSTONE<br>314 EAST 24TH.STREET<br>CHESTER<br>PENNSYLVANIA 19013<br>USA **1FN00 * | 381.133 | | | | Z |
| 1203436-F039 | MISS MAURINE L. HILL<br>2929 INDIANA<br>KANSAS CITY<br>MISSOURI<br>U S A<br>**1FN10 * | 131.150 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1203466-FD32 | MR. RICHARD PECK AND<br>MRS.CLOA H. PECK<br>P.O.BOX 764<br>GREEN VALLEY<br>ARIZONA 85614<br>U.S.A **1FN00 * | 261.467 | | | | Z |
| 1203638-FD79 | MR. B.MARCEL SHALOM<br>23-43 31ST. AVENUE<br>ASTORIA-QUEENS<br>NEW YORK,N.Y 11106<br>U.S.A. | 246.043 | | | | Z |
| 1204245-FDC1 | MR.PETER A. PASERO<br>220 NORTH FANNING AVENUE<br>APT. 26<br>IDAHO FALLS, IDAHO<br>U. S. A. **1FN00 * | 131.909 | | | | Z |
| 1204337-FD30 | MR LESLIE HUDSON<br>AMERICAN RADIATOR STANDARD<br>SANITARY CORP 40m 40Th ST<br>NEW YORK 18<br>N Y<br>USA | 13.372 | | | | Z |
| 1204538-FD60 | MR JOHN KRIENDLER<br>BUENOS AIRES<br>DEPARTMENT OF STATE<br>WASHINGTON D.C.20520<br>U.S.A. **1FN00 * | 171.671 | | | | Z |
| 1205152-FD63 | MR.DONALD A. OSTRANDER<br>193-B HERITAGE VILLAGE<br>SOUTHBURY<br>CONNECTICUT 06488<br>USA **1FN00 * | 539.207 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I205792-FD27 | MRS.DORA S.DE BERENSTEIN AND<br>MR.ISAIAS BERENSTEIN S.<br>12 RITTENHOUSE ROAD<br>WORCESTER<br>MASS<br>U.S.A | 122.560 | | | | 2 |
| I206325-FD11 | MRS.MARGOT FILL<br><br>126 N.W. 100 STREET<br>MIAMI-SHORES<br>FLORIDA 33150<br>USA | 116.401 | | | | 2 |
| I207012-FD51 | MR. ATHANASSIOS P. MARKATOS<br>UNIVERSAL MARITIME AGENCIESLTD<br>52 BROADWAY<br>NEW YORK 4<br>NEW YORK<br>U.S.A. | 253.851 | | | | 2 |
| I207330-FD63 | MRS.ANTONIETTA A.AVERY<br><br>81 CASTLE HOWARD COURT<br>PRINCETON<br>NEW JERSEY 08540<br>U.S.A. **1FN00 * | 125.182 | | | | 2 |
| I207993-FD59 | MR EUGENE J BERLETT<br><br>3605 CLOCH STREET<br>BALTIMORE<br>MARYLAND 21224<br>USA **1FN00 * | 204.535 | | | | 2 |
| I208479-FD68 | MRS PEARL D.ELLER AND<br>MR FLETCHER J.ELLER<br>3922 C FALCON COURTS NORTH<br>MC GUIRE AFB<br>NEW JERSEY 08641<br>U.S.A. **1FN00 * | 401.587 | | | | 2 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1209161-FD58 | MR BIENVENIDO A.TAN JR.<br>164 CASPARINAS ST.<br>MANILA<br><br>PHILIPPINES | 1,093.757 | | | | Z |
| 1210317-FD44 | DR JEAN C.PARTAMIAN<br><br>HENRY FORD HOSPITAL<br>DETROIT<br>MICHIGAN 48202<br>U.S.A. | 144.922 | | | | Z |
| 1210732-FD36 | MR OSKAR E.SLAEPRUD<br><br>S/T OCLAR RCN<br>OCTAAS LARSEN INC.<br>122 EAST 42ND.STREET<br>NEW YORK, N.Y.10017, USA | 138.783 | | | | Z |
| 1214674-FD44 | MR GIUSEPPE CANCELLIERI<br><br>C/C U.N.D.P./PORT AU PRINCE<br>UNITED NATIONS HQ<br>GRAND CENTRAL P.O.BOX 20<br>NEW YORK,N.Y.17,U.S.A. | 123.335 | | | | Z |
| 1215266-FD24 | DR.MOHAMMAD SAADATNEJADI<br><br>MID-MISSOURI MENTAL HEALTH<br>CENTER, 803 STADIUM ROAD<br>COLUMBIA, MISS. 65201<br>U.S.A. | 34.195 | | | | Z |
| 1219767-FD68 | MR ANDREW P.HAMILTON<br>C.P.O.BOX 1323<br>TOKYO<br><br>JAPAN | 517.183 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1221006-FD14 | MR CHIN YONG CHANG<br>C/O MR. ANDREW CHANG<br>3040 WALDORF DRIVE<br>RIVERSIDE,CALIFORNIA 92507<br>U.S.A | 376.896 | | | | Z |
| 1223665-FD62 | MR KIN CHNG<br>OCEAN SHIPPING & ENTERPRISES<br>MALAYSIA PTE.LTD., 5TH.FLOOR<br>A.I.A. BLDG., ROBINSON ROAD<br>SINGAPORE 1, SINGAPORE | 104.841 | | | | Z |
| 1224665-FD03 | MR SONGSAK LUESKUL<br>P.O.BOX 17311<br>LOS ANGELES<br>CALIFORNIA 90017<br>U.S.A | 106.081 | | | | Z |
| 1226237-FD42 | DR.KENNETH J.REED<br>105 MARLBORO ROAD<br>PITTSBURG<br>PA.15238<br>USA | 1,000.261 | | | | Z |
| 1226303-FD19 | MR.MEENAKSHI SUNDARAMAN<br>2655 HOBSON ROAD<br>WOODRIDGE ILL.<br>USA | 208.785 | | | | Z |
| 1227592-FD29 | MR EMMANUEL KOUTSOURAKIS<br>S/S PROTEFCANDROS<br>GLOBAL CHARTERING AND<br>BROKERAGE INC., 25 BROADWAY<br>NEW YORK,N.Y.10006, USA | 108.612 | | | | |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDD LCT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1228718-FD02 | MR. LUIGI CANESSA ROCCA<br>184, CAMBRIDGE AVE.<br>DES PLAINES<br>ILLINOIS 60016<br>U.S.A | 1,680.472 | | | | 2 |
| 1233788-FD14 | MR WALTER A.K.NG<br>FLAT D,1C2 GLENVIEW APTS.<br>1019 PATRICA DRIVE<br>NASHVILLE<br>TENN.37217, U.S.A. | 565.343 | | | | 2 |
| 1243088-FD54 | MR ROGER M.ARNOLD<br>AND/OR MRS PRUDENCE M.ARNOLD<br>UNDP/LA PAZ,BOLIVIA,BOX 19<br>P.O.BOX 20,GRAND CENTRAL<br>STATION, UNITED NATIONS<br>NEW YORK 10017, U.S.A. | 981.783 | | | | 2 |
| 1244C41-FD81 | MAJOR GORAN TORNERHJELM<br>SWEDISH GROUP NNSC IN KOREA<br>APO SAN FRANCISCO 96224<br>CALIFORNIA<br>USA | 185.187 | | | | 2 |
| 1248627-FD03 | MISS DOROTHY HAMILTON<br>157-05 45TH.AVENUE<br>FLUSHING<br>N.Y. 11355<br>U.S.A. | 100.633 | | | | 2 |
| 1249122-FD04 | MR CHRISTOS SIRIVLIS<br>S/T OLYMPIC BREEZE<br>C/O CENTRAL AMERICAN STEAMSHIP<br>647 FIFTH AVENUE<br>NEW YORK NY 10022<br>U.S.A. | 103.008 | | | | 2 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GOD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1250917-FD44 | MR SUNG KUK HONG<br>345 EAST SAN JOSE AVE. H<br>BURBANK<br>CALIFORNIA 91502<br>U.S.A. | 92.699 | | | | Z |
| 1255113-FD29 | MRS YIN KEI YUE<br>1111 KING ST.<br>SANTA CRUZ<br>CALIFORNIA 95060<br>USA | 90.784 | | | | Z |
| 1255340-FD12 | MR ELIAS JOAN.TRIANTAFILOU<br>1444 1/2 MAIN STREET EAST<br>ROCHESTER<br>N.Y. 14609<br>U.S.A. | 89.640 | | | | Z |
| 1256935-FD22 | MR TAE DONG KIM<br>EBSCO BIOLOGICAL SUPPLY CO<br>825C INLAND LAKE RD.<br>DEXTER, MICH.48130<br>U.S.A. | 464.760 | | | | Z |
| 1257713-FD81 | MR RAPHAEL IFRAH<br>SUBURBAN PARKWAY,APT.106-D<br>WARDS CORNOR<br>NORFOLK, VIRGINIA 23505<br>U.S.A. | 89.285 | | | | Z |
| 1265688-FD30 | MISS LYDIA M.DEL MUNDO<br>C/O LT. JOHN T. BUCKLEY<br>WEAPONS DEPT,U.S.S.,CUBI PL.<br>FPO SAN FRANCISCO<br>CALIF.96654, USA | 168.948 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1287232-F053 | MERRN OTTO HASSELBARTH UND/<br>ODER FRAU ANTJE HASSELBARTH<br>904 PACIFIC COAST HWY.<br>HUNTINGDON BEACH<br>CALIFORNIA 92646<br>U.S.A. | 215.461 | | | | Z |
| 1291454-F009 | MR ATHANASSIOS N.VOULIERIS<br><br>M/V UNION<br>C/O PACIFIC S.S. AGENCY INC.<br>25 BROADWAY<br>NEW YORK, N.Y.10006, USA | 117.433 | | | | Z |
| 1291883-F032 | MR FRANK J.CZEINER<br>AND MRS KELLY L.CZEINER<br>3225 LANDSCHAE CR.S.<br>WILMINGTON DEL.<br>U.S.A. | | 493.000 | | | Z |
| 1291885-F052 | MR TERENCE J.CASEY<br><br>13527 BARRYKNOLL LANE<br>HOUSTON<br>TEXAS 77024<br>U.S.A. | 187.000 | | | | Z |
| 1291887-F072 | MR ROBERT H.CREMER<br>605 HIGH ST.<br>18042 EASTON PA.<br><br>U.S.A. | | 329.000 | | | Z |
| 1291888-F082 | MR EDWIN J DUCKA<br>AND/OR MRS CLAIRE DUCKA<br>CAEN-MCE-D<br>FORRESTAL BLDG<br>WASH. D.C. 20314<br>U.S.A. | 500.000 | | | | Z |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | ODD LOT | --CASH BALANCES HELD FOR-- INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1291905-FD64 | MR CHARLES J.L.SCHOEFER<br>AND/OR MRS L.S.SCHOEFER<br>C/O AMERICAN BUREAU SHPG<br>45 BROAD ST.<br>N.Y.10004 | 608.000 | | | | Z |
| 1292171-FD42 | MR HOWARD TURNER<br>AND/OR MRS HELEN M.TURNER<br>C/O C.G. CONLY<br>3941 KENNETT PIKE<br>WILMINGTON, DELAWARE 19807<br>U.S.A | 1,356.000 | | | | Z |
| 1292172-FD52 | MR ROBERT C.UNDERWOOD<br>AND MRS GLADYS W.UNDERWOOD<br>640 MCCOMBS AVE<br>BERKELEY<br>CALIF 94708<br>U.S.A. | 184.000 | | | | Z |
| 1292175-FD82 | MR JAMES F.JOHNSON<br>AND MRS EMILY R.JOHNSON<br>ROUTE 1 BOX 14<br>SOMERTON<br>ARIZ.<br>U.S.A. | 362.000 | | | | Z |
| 1292188-FD13 | MRS DOLORES S.SMITH<br>AND MISS LILLIAN S.ACAYAN<br>6 WILLOWBROOK RD.<br>STORRS 06268<br>CONN.<br>U.S.A. | 618.000 | | | | Z |
| 1292293-FD74 | MRS FIONA RAWSON<br><br>66 DUNDEE ROAD<br>STAMFORD CONN.06903<br>U.S.A. | 483.019 | | | | Z |

1113A

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1295C1-F08J | MR WERNER BRUNNER<br>AND/OR MRS BEATRICE BRUNNER<br><br>STATIONSVORSTAND<br><br>CH-5703 SEON | 235.220 | | | | Z |
| 1295693-F017 | MRS CLAIRE LUESCHEN<br>AND DR.GUENTHER LUESCHEN<br>CHAMPAIGN-ILLINOIS 61820<br>EC2 1/2 ELMSTREET<br>U S A | 54.615 | | | | Z |
| 1296252-F066 | MR ESTEBAN R.ANCHETA<br><br>P.O.BOX 173<br>APO SAN FRANCISCO<br>CALIFORNIA 96555<br>U.S.A | 52.561 | | | | Z |
| 1303402-F057 | HERRN SHEKOU M. SESAY<br><br>1550 UNDERCLIFF AVENUE<br>APT. 12-J<br>NEW YORK, N.Y.10453<br>U.S.A. | 234.133 | | | | Z |
| 1304699-F027 | MR ARTHUR H.MCFLENBRUCK<br><br>256 CALLE LA MESA<br>MORAGA<br>CALIF.<br>U.S.A. | 165.000 | | | | Z |
| 1304702-F028 | MR JAY E.LEVAN<br><br>CIRS 111<br>MAXWELL AFB<br>ALABAMA<br>U.S.A. | 171.000 | | | | Z |

1114A

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1304703-FD38 | MR LAWRENCE CANALE<br>1014 WEST STATE ST.<br>GENEVA<br>ILLINOIS<br>U.S.A. | 188.000 | | | | Z |
| 1304704-FD48 | MR CITO GLADE<br>AND/OR MRS MARIAN M.GLADE<br>12706 TAYLORCREST<br>HOUSTON<br>U.S.A. | 187.000 | | | | Z |
| 1304711-FD19 | MR GLEN JONES<br>AND MRS GRACE W.JONES<br>13324 GALEWOOD ST.<br>SHERMAN OAKS<br>CALIFORNIA 91403<br>U.S.A. | 374.000 | | | | Z |
| 1304713-FD39 | MR JOSEPH E.ROBINSON<br>USAIF-CENTO<br>APO NEW YORK 09254<br>U.S.A. | 166.000 | | | | Z |
| 1304987-FD56 | MR OVE S.STEFFENSEN<br>1858 GREENFIELDGARDENS<br>EDISON<br>N.J. 08817<br>U.S.A | 174.000 | | | | Z |
| 1305642-FD13 | MR JOSEPH G.GERESCHER<br>AND/OR MRS CHRIS.GERESCHER<br>4206 N.W. 48TH.STREET<br>OKLAHOMA CITY<br>OKLAHOMA 73112<br>U.S.A. | 466.000 | | | | Z |

1115A

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I306282-FD78 | FRAU MARITA MADDEN<br>5650 ADAMS STREET<br>FORT KNOX<br>KY. 40121<br>U.S.A | 120.477 | | | | 2 |
| I309837-FD86 | DR.FOUAD BEN-ISAAC<br>7917 W. 4TH.STREET<br>LOS ANGELES<br>CALIFORNIA 90048<br>U.S.A. | 500.000 | | | | 2 |
| I310428-FD66 | MRS GERMAINE B.FLANAGAN<br>1250 WOODCOCK CIRCLE WEST<br>APT. C<br>COLUMBUS<br>OHIO 43223, USA | 105.903 | | | | 2 |
| I313538-FD70 | MR CHRISTODOULOS K.MPRINIAS<br>S/T INTREPID WEST WATERS<br>MANAGEMENT CORP.<br>39 BROADWAY<br>10006 NEW YORK<br>U.S.A. | 844.971 | | | | 2 |
| I317226-FD23 | MR CAECT SEDGWICK<br>SANTA FE RANCH<br>NOGALES<br>ARIZONA 85621<br>U.S.A. | 200.000 | | | | 2 |
| I317242-FD85 | MR PICK CHEE TANG<br>841 COLUMBUS AVE.<br>SAN FRANCISCO<br>CALIFORNIA 94133<br>U.S.A. | 39.000 | | | | 2 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IDS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I317245-FD15 | MR ROBERT VAN DEUSEN<br>LIGHTSTREET ROAD<br>BOX 94<br>BLOOMSBURG PA.17815 | 1,723.000 | | | | Z |
| I317249-FD55 | MR ARTHUR L.WILLIAMS<br>C/O CICC/SEA<br>APO 146<br>SAN FRANCISCO<br>CALIFORNIA U.S.A. | 344.000 | | | | Z |
| I317251-FD76 | MR WAYNE S.WOOD<br>P.O.BOX 324<br>BALL KNOB<br>ARKANSAS<br>U.S.A. | 246.000 | | | | Z |
| I317252-FD86 | MRS ELVA ZARZAVILLA<br>915 N.GENESSE AVE.<br>APT.9<br>LOS ANGELES<br>CALIFORNIA 90046 U.S.A. | 1,656.000 | | | | Z |
| I317256-FD26 | MR PHILIP CHARLES HOLZBERGER<br>HARMONY ROAD<br>PAWLING<br>N.Y.12564<br>U.S.A. | 120.000 | | | | Z |
| I317264-FD07 | MADAME ODETTE S.PRICE<br>PRICE RANCH<br>LOS ALAMOS<br>SANTA BARBARA COUNTY<br>CALIFORNIA, U.S.A. | | 259.000 | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IDS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| I316153-FD87 | MR CARLOS E.DOMINGUEZ<br>15424 DALE ROAD<br>CHAGRIN FALLS<br>OHIO 44022<br>U.S.A. | 1,709.000 | | | | Z |
| I318172-FD79 | MAJOR PAUL A.GRANGER<br>6505 N.CAMPBELL AVENUE<br>PHOENIX<br>ARIZONA<br>U.S.A. | 209.000 | | | | Z |
| I318184-FD9C | MR PHILIP CHARLES HOLZBERGER<br>HARMONY ROAD<br>PAWLING<br>N.Y.12564<br>U.S.A. | 120.000 | | | | Z |
| I318194-FD91 | LT.DAVID HAMILTON KENNY<br>1953 RD AFCS SC.<br>APO 919<br>SAN FRANCISCO<br>CALIFORNIA U.S.A. | 184.000 | | | | Z |
| I318203-FD92 | MR MORRIS L.LEWIS<br>6065 WEST MEXICO AVENUE<br>LAKEWOOD<br>COLORADO 80226<br>U.S.A. | 524.000 | | | | Z |
| I318204-FD02 | MR MILTON J.LINDNER<br>4923 CROCKETT BLVD.<br>GALVESTON<br>TEXAS 77550<br>U.S.A. | 388.000 | | | | Z |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1318211-FD73 | MR MICHAEL MARTIROSIAN<br>300 E. 57 STREET<br>NEW YORK N.Y.<br>U.S.A. | 187.000 | | | | 2 |
| 1318213-FD93 | MR ROBERT R.MAXWELL<br>20 CREEKWOOD CIRC.<br>RICHARDSON<br>TEXAS 75080<br>U.S.A. | 847.000 | | | | 2 |
| 1318221-FD74 | MR HARRY ALBERT MC MURRAY<br>WYOMING<br>NEW YORK<br>U.S.A. | 371.000 | | | | 2 |
| 1318225-FD14 | MR ALBERT J.OPENSHAW<br>2255 CLAUDE<br>SALEM<br>OREGON 97301<br>U.S.A. | 165.000 | | | | 2 |
| 1318233-FD95 | MR E.LESLIE PRIESTMAN<br>BLK 98 SHORE DRIVE<br>BARREN<br>RHODE ISLAND 02865<br>U.S.A. | 300.000 | | | | 2 |
| 1318316-FD33 | MRS LUCY W.ADAMS<br>601 WELLESLEY AVE.<br>BERKELEY<br>CALIFORNIA 94706<br>U.S.A. | 339.000 | | | | 2 |

1119A

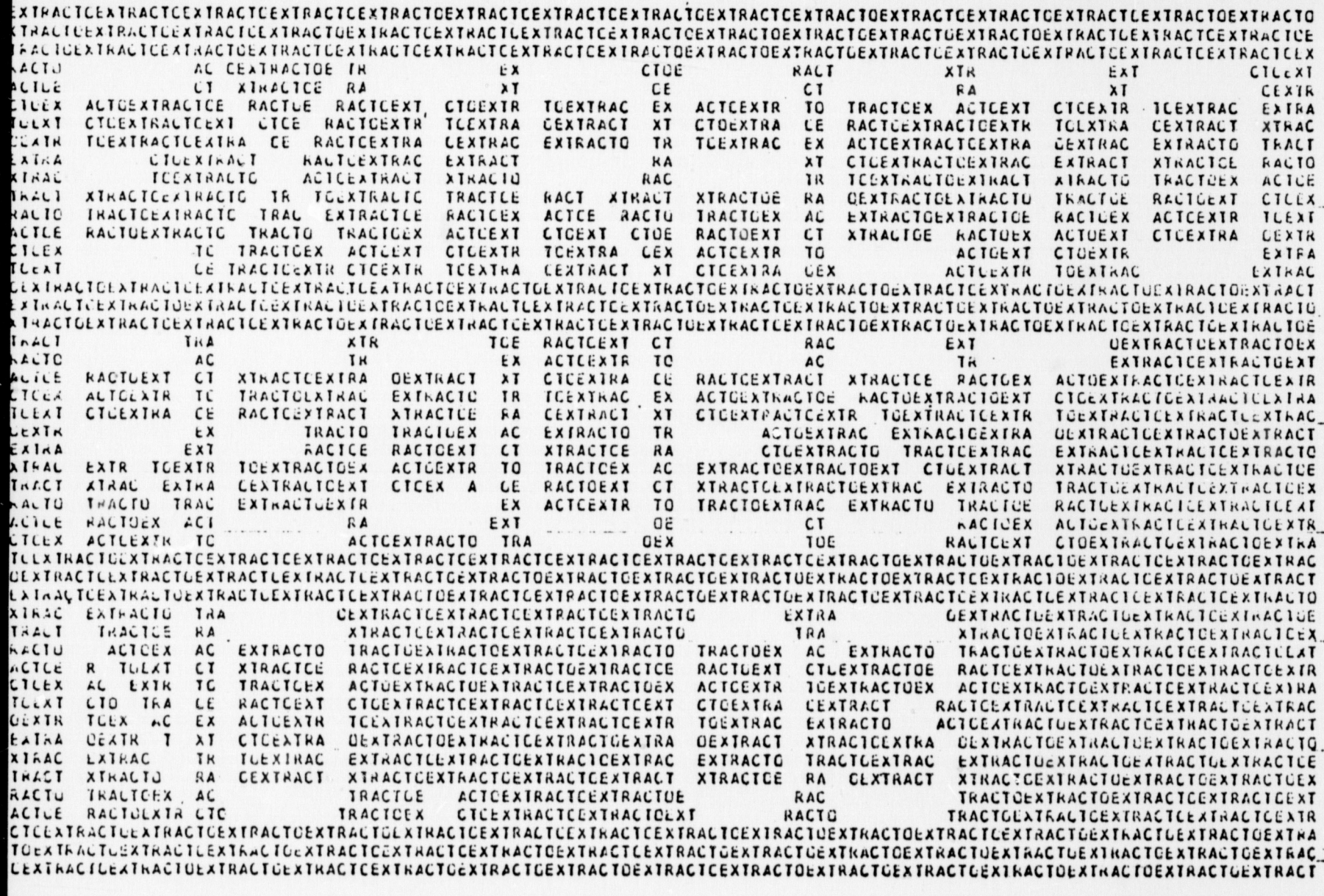
LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDC LCT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 1318322-FD54 | MR HENRY G.BAKER<br>C/O W.CALLAHAN<br>145 CENTRAL AVENUE<br>DEERPARK NEW YORK<br>U.S.A. | 187.000 | | | | Z |
| 1318331-FD85 | MR WILLIAM R.BOND<br>P.O.BOX 361<br>PICAYUNE<br>MISSISSIPPI<br>U.S.A. | 414.000 | | | | Z |
| 1318333-FDC5 | MRS HELENE M.BONUS<br>C/O F.MORANO VICE PRES.<br>FIRST TRUST & DEPOSIT CO.<br>SYRACUSE N.Y.<br>U.S.A. | 169.000 | | | | Z |
| 1318338-FD55 | MR WILLIAM C.BRIGGES<br>5625 DANIELS<br>DALLAS<br>TEXAS<br>U.S.A. | 25.000 | | | | Z |
| 1318348-FD56 | MR ROBERT NICHOLAS COCK JR.<br>408 NO.MAIN ST.<br>GRAHAM<br>NORTH CAROLINA | 263.000 | | | | Z |
| 1318349-FD66 | MRS MARIE CORNFIELD<br>7 PARK AVENUE SUITE 32<br>NEW YORK 16 N.Y.<br>U.S.A. | 935.000 | | | | Z |

1120A

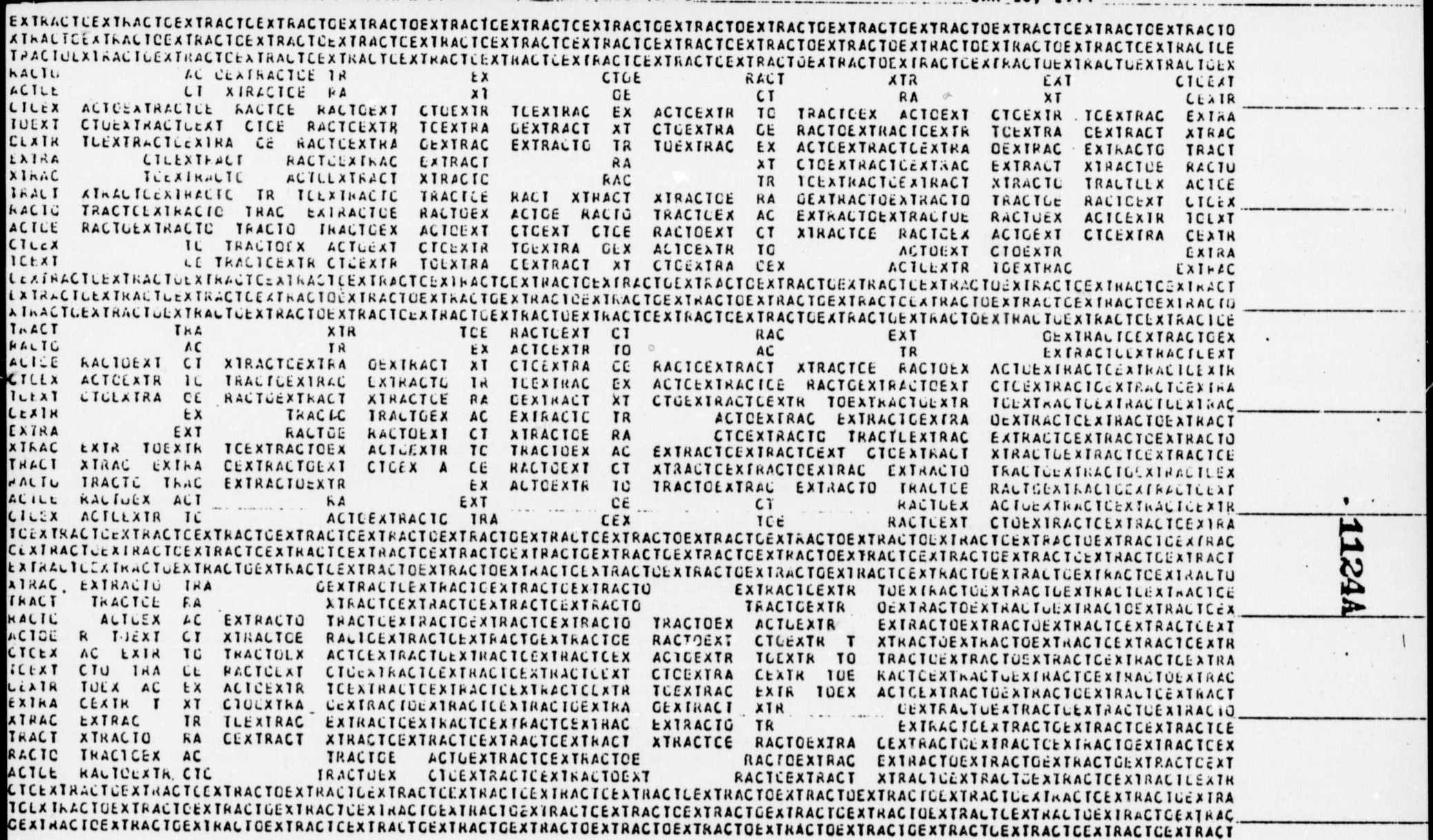
NO RECORDS PROCESSED FOR THIS REQUEST



////// INDICATES A DIVISION BY ZERO.
------- INDICATES INVALID NUMERIC DATA.
******* INDICATES NUMERIC DATA EXCEEDING THE SPECIFIED LENGTH,
OR A TOO LONG RESULT IN A MATHEMATICAL EXPRESSION.

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////////  INDICATES A DIVISION BY ZERO.
-------  INDICATES INVALID NUMERIC DATA.
*******  INDICATES NUMERIC DATA EXCEEDING THE SPECIFIED LENGTH
OR A TOO LONG RESULT IN A MATHEMATICAL EXPRESSION.

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - GUILDERS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCOUNT STATUS |
|---|---|---|---|---|---|---|
| 302759-FF01 | MR.PIETER BERGEMA<br>412 MALLORY WAY<br>CHAI CALIFORNIA 93023<br>USA | 272.940 | | | | 2 |

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Woods, Gordon & Co.

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1100011-C033 | DR. SAMUEL P. OLSHER<br>AND MRS ALBERTA A. OLSHER<br>MAIN ST. BOX 188<br>WHITE HOUSE STATION<br>NEW JERSEY 08889<br>U.S.A. **CCN10 6 | 192.071 | | | | Z | USA | 4 |
| 1100102-C052 | MR.PERANT AVEDISSIAN<br>90 CARVER RD. E.<br>WATERTOWN, MASS.<br><br>USA | 5.255 | | | | Z | USA | 5 |
| 1100614-C043 | MR DONALD LEE BERG<br>P.O. BOX 2307<br>LONGVIEW<br>TEXAS<br>U.S.A.<br>**CCN00 4 | 391.857 | | | | Z | USA | 1 |
| 1100651-C097 | MR JOSEPH P. GALLAGHER<br>ICS SPECIAL MAILING INSTR.<br>PRODUCTION SERVICES<br>01-F.V. (SWI) **CCN10 6 | 40.233 | | | | Z | SWI | 1 |
| 1100683-C010 | MISS LAURA S. DAVIDSON<br>APARTADO AEREO 226<br>CALI<br><br>COLOMBIA<br>**ICN007.4 | 17.068 | | | | Z | COL | 1 |
| 1100716-C053 | MR NEWELL G. BEAUMIER<br><br>ICS SPECIAL MAILING INSTR.<br>PRODUCTION SERVICES<br>01-F.V. (USA) **CCN00 6 | 13.893 | | | | Z | SWI | 1 |

PLAINTIFF'S EXHIBIT
U. S. Dist. Ct.
S. D. N. Y.
JUN 14 1974

Plaintiffs' Exhibit 7
1126A

Woods, Gordon & Co.

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I100747-CD66 | MR CHARLES J.LAHEY<br>11109 BYBEE STREET<br>SILVER SPRING<br>MARYLAND<br>U.S.A. | 59.378 | | | | Z | USA | 1 |
| I100757-CD67 | MR CLAUDE M.MATHERNE<br>C/C AMERICAN OVERSEAS PET.LTD.<br>P.O.BOX 693<br>TRIPOLI<br>LIBYA | 57.533 | | | | Z | LIB | 1 |
| I100785-CD40 | MR DAVID M. CROCKETT<br>CASILLA 27 - D<br>SANTIAGO<br>CHILE<br>**OCN00 6 | 5.332 | | | | Z | CHI | 1 |
| I100787-CD60 | MR KENNETH A. GALE<br>FCCC - UPI<br>TAIPEI<br>TAIWAN<br>**OCN10 6 | 11.052 | | | | Z | TAI | 1 |
| I100797-CD61 | MR. LEONARD B. SANFORD<br>C/C CHRYSLER S.A.PTY LTD.<br>ELSIES RIVER<br>CAPETOWN<br>SOUTH AFRICA **CCN00 4 | 28.550 | | | | Z | SOU | 1 |
| I100897-CD71 | MR. HUGH F. TOLLEY<br>1203 S.W.KING GEORGE DR.<br>KINGS CITY<br>OREGON<br>U.S.A. **OCN10 6 | 1,815.405 | | | | Z | USA | 4 |

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Woods Gordon & Co.

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1100918-CD93 | MR JOE A.COFFMAN<br>IOS HOLD MAIL<br>115 RUE DE LAUSANNE<br>CH-1200 GENEVA | 5.563 | | | | Z | SWI | 1 |
| 1100923-CD44 | HERRN CHARLES ROBERT BADE<br>UND FRAU SALLY BADE<br>D-6900 HEIDELBERG<br>GEGENBAUR STRASSE 1 | 29.737 | | | | Z | GER | 1 |
| 1100930-CD15 | MR NINGO ZIMBI<br>AND MRS FLORENCE M.O.ZIMBI<br>IOS HOLD MAIL<br>115 RUE DE LAUSANNE<br>CH-1200 GENEVA | 5.454 | | | | Z | SWI | 4 |
| 1100934-CD55 | MR JOHN B. BLAKE JR.<br>AND MRS MATHILDA BLAKE<br>C/O FAC REP. IN PAKISTAN<br>5 TH. FLOOR, PIDC HOUSE,<br>KUTCHERY ROAD<br>KARACHI, PAKISTAN **CCN00 6 | 106.139 | | | | PAK | | 4 |
| 1100953-CD47 | MR JAMES S ANDO<br>175 SEIJO-MACHI<br>SETAGAYA-KU<br>TOKYO<br>JAPAN **CCN00 6 | 14.004 | | | | Z | JAP | 1 |
| 1100973-CD49 | MR LAURENT SECINIAZ<br>C/O I.T.T. PHILIPPINES, INC.<br>MARSMAN, BUILDING<br>BUENDA AVE. MAKATI<br>RIZAL<br>PHILIPPINES **CCN00 4 | 431.766 | | | | Z | PHI | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1102070-CD21 | MISS DOROTHY M.SLAK<br>C/O KELLY RUTH<br>12506 HAVANA ROAD<br>GARFIELD HEIGHTS OHIO<br>U.S.A.<br>**OCN10 6 | 262.229 | | | | | USA | 1 |
| 1102078-CD01 | MR JONAS ZUKAUSKAS<br>HQ CO, 8TH ENG. BN.<br>APO 24<br>SAN FRANCISCO<br>CALIFORNIA<br>U.S.A. **OCN10 6 | 12.644 | | | | Z | USA | 1 |
| 1102159-CD29 | MR GARY A. SAUVE<br>ICS HOLD MAIL<br>119 RUE DE LAUSANNE<br>1200 GENEVA<br>SWITZERLAND **OCN00 6 | 1.743 | | | | Z | SWI | 1 |
| 1102171-CD41 | MR FREDERICK G. TOMPKINS<br>ICS HOLD MAIL<br>119 RUE DE LAUSANNE<br>GENEVA<br>SWITZERLAND **OCN10 6 | 1.956 | | | | Z | SWI | 1 |
| 1102178-CD11 | MR LEONARD HARRIS<br>AND MRS ROSA M. HARRIS<br>C/O TEXADA MINES PTY LTD<br>P.O.BOX 501<br>CARNARVON WA 6701<br>AUSTRALIA | 221.193 | | 42.68 | | Z | AST | 5 |
| 1102229-CD36 | MR ROBERT E.FILLER<br>P.O.BOX 4815<br>NASSAU<br>BAHAMAS<br>**OCN10 6 | 85.164 | | | | | BAH | 1 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1200038-CD06 | MR LEROY W JONES<br>ICS MASONIC BUILDING<br>12 SHIBA SAKAE CHO<br>MINA TO-KU<br>TOKYO<br>JAPAN | 5.031 | **0CN00 6 | | | Z | JAP | 1 |
| 1200153-CD68 | DR BERJ A. GUEYIKIAN<br>4240 DEMPSTER MEDICAL BDLG.<br>SKOKIE<br>ILLINOIS 60076<br>U.S.A. | 142.732 | | | | Z | USA | 5 |
| 1200331-CD66 | MR RICHARD E. SNYDER<br>4411 NO 40-STR<br>APT 43<br>PHOENIX<br>ARIZONA | 1.360 | **1CN007.4 | | | Z | USA | 1 |
| 1200479-CD50 | MISS GAIL HOWARD<br>145 GARFIELD PLACE<br>MONROVIA<br>CALIFORNIA 91016<br>USA | 132.256 | **1CN007.4 | | | Z | USA | 1 |
| 1200518-CD54 | MR LEELEL BHASKAR KUNDARGI AND<br>MRS CHINNAMMA KUNDARGI<br>1471 GOLDEN ARROW WAY<br>APT. 4<br>LAS VEGAS<br>NEVADA 89109, U.S.A. | 757.510 | | | | Z | USA | 5 |
| 1200603-CD13 | MR. ROBERT L. BARR<br>P.O.BOX 316<br>RAMNA<br>DACCA 2<br>BANGLADESH | 135.838 | **1CN007.4 | | | Z | PAK | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | ODD LOT | --CASH BALANCES HELD FOR-- INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I200947-C087 | MR.LAWRENCE A.CANADY<br>127TCHEFUNCTE DRIVE<br>COVINGTON<br>LOUISIANA 70433<br>U.S.A. **1CN007.4 | 47.650 | | | | Z | USA | 1 |
| I201040-C028 | SS C192-02049-89<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 16.302 | | | | Z | SWI | 1 |
| I201054-C069 | MRS. ELIZABETH M. TUCKER AND<br>MR. DAVID G. TUCKER<br>C/C I.C.S.<br>119, RUE DE LAUSANNE<br>SWITZERLAND<br>**1CN00 * | 415.169 | | | | Z | SWI | 1 |
| I201244-C086 | SS C192-04781-75<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 110.704 | | | | Z | SWI | 1 |
| I201354-C059 | MRS BARBRO T WOOD<br>835 PINE STREET, APT. 2-B<br>SAN FRANCISCO<br>CALIFORNIA 94107<br>USA **1CN007.4 | 25.497 | | | | Z | USA | 1 |
| I201533-C007 | SS C192-05298-96 A<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 50.284 | | | | Z | SWI | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION, CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1201562-CD90 | SS 0192-05258-93<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 87.305 | | | | Z | SWI | 1 |
| 1201687-CD52 | MR.CODY P.EVANS AND<br>MR.EDWARD M. EVANS<br>CASILLA 2790<br>QUITO<br>ECUADOR<br>**1CN00 * | 27.405 | | | | Z | ECU | 1 |
| 1201858-CD89 | MR.FRED DACHINGER<br>119 RUE DE LAUSANNE<br>GENEVA<br>SWITZERLAND<br>**1CN00 * | 12.209 | | | | Z | SWI | 1 |
| 1201943-CD48 | SS 0192-10205-73<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 15.297 | | | | Z | SWI | 1 |
| 1201956-CD73 | MR PETER A CRAKER<br>C/C U.A.SOUTH AMERICAN CORP.<br>CASILLA DE CORREA 5090<br>BUENOS AIRES<br>ARGENTINA **1CN007.4 | 51.749 | | | | Z | ARG | 1 |
| 1202207-CD15 | MR. ALEXANDER G.HARDMAN<br>35 ELDORADO PLACE<br>WEEHAWKEN<br>NEW JERSEY 07087<br>U.S.A. | 20.487 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1202271-CD52 | SS 0192-C1250-19<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 147.972 | | | | Z | SWI | 1 |
| 1202405-CD15 | MR.HERBERT F. HOLZ<br>BOX 5 USAID/QUITO<br>DEPT. OF STATE<br>WASHINGTON D.C. 20521<br>U S A<br>**1CN107.4 | 16.314 | | | | Z | USA | 1 |
| 1202663-CD11 | MR MARTINUS DE RIDDER<br>C/O ENVASES COLOMBIANOS S.A.<br>APARTADO AEREO 163<br>BARRANQUILLA<br>COLOMBIA | 195.104 | | | | Z | COL | 5 |
| 1202844-CD49 | MR. JOHN E. FRECHETTE<br>P.O. BOX 1113<br>MANILA<br>PHILIPPINES<br>**1CN007.4 | 171.342 | | | | Z | PHI | 1 |
| 1203321-CD68 | MR. WILLIAM L. SCHWINN<br>APARTADO AEREO 90039<br>BOGOTA<br>COLOMBIA **1CN007.4 | 27.125 | | | | Z | COL | 1 |
| 1203355-CD45 | MR.HERBERT LLOYD STUBBS AND<br>MRS BETTY C.GRAVES STUBBS<br>FLEICHERWEG 72<br>8002 ZURICH<br>SWITZERLAND<br>**1CN007.4 | 33.227 | | | | Z | SWI | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I203512-C097 | HERRN HERMANN RINTEL<br>D-1000 BERLIN 31<br>HALEERSTADTERSTRASSE 7<br>**1CN007.4 | 13.579 | | | | Z | GER | 1 |
| I203575-C023 | MISS JUDITH S.MAC DONALD<br>P.O.BOX 35<br>ILO<br>PERU<br>**1CN007.4 | 17.270 | | | | Z | PER | 1 |
| I204164-C073 | SS 0192-06844-13<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 19.504 | | | | Z | SWI | 1 |
| I205333-C081 | MR.DAN MC ANALLY<br>APARTADO AEREO 7029<br>BOGOTA<br>COLOMBIA<br>**1CN007.4 | 0.982 | | | | Z | COL | 1 |
| I205577-C045 | SS 0192-07564-86<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 7.314 | | | | Z | SWI | 1 |
| I205751-C003 | SS 0192-04775-24 8<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 117.766 | | | | Z | SWI | 1 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDD LCT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I206194-CD78 | HERRN JOHN T MUSA<br>C/C I.C.S.<br>D-ECCO MUENCHEN 22<br>LUDWIGSTR. 6/II<br>**ICN007.4 | 1.045.439 | | | | Z | GER | 1 |
| I207429-CD52 | SS C192-C84C8-11<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 41.875 | | | | Z | SWI | 1 |
| I208195-CD80 | MR JOSEPH A.CLARKE AND<br>MRS YASUKO P.CLARKE<br>ROSEVILLE 2,EUCHARISTIC<br>CONGRESS ROAD<br>MOSTA<br>MALTA<br>**ICN007.4 | 15.445 | | | | Z | MLT | 1 |
| I208227-CD13 | MR EMMANUEL N.BROKOS<br>P.O.BOX 1212<br>ABERDEEN<br>WA.98520<br>U.S.A. | 63.846 | | | | Z | USA | 5 |
| I208614-CD22 | MISS CECILIA L.INGLES<br>66 WYCKOFF, APT.4<br>NEW BRUNSWICK<br>N.J. 08901<br>U.S.A. | 1.053 | | | | Z | USA | 5 |
| I206951-CD26 | SS C192-C81C7-71 B<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 78.170 | | | | Z | SWI | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1209171-CD49 | MR S.SHALOM MIZRAHI AND/OR<br>MRS EVA M.MAUTNER DE MIZRAHI<br>CLIENT HOLD MAIL /<br>INVESTORS OVERSEAS SERVICES<br><br>C121C-FERNEY-VOLTAIR | 28.981 | | | | Z | FRA | 5 |
| 1210052-CD58 | MRS MABEL E.LOGAN<br><br>2924 KIMBERLY DRIVE<br>SILVER CITY<br>NEW MEXICO 88061<br>USA | 193.954 | | | | Z | USA | 5 |
| 1210496-CD32 | SS C252-09064-39<br><br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211-GENEVA 3<br>SWITZERLAND | 101.309 | | | | Z | SWI | 1 |
| 1212003-CD65 | MR JACK E.YOST<br><br>1815 SHELLEY ST.<br>MURFREESBORO TENN.37130<br><br>U.S.A. **1CN007.4 | 15.490 | | | | Z | USA | 1 |
| 1212627-CD67 | MR.EDWARD F. BARECUR<br>PAGE COMMUNICATIONS<br>APO SAN FRANCISCO 96309<br><br>U.S.A. | 38.075 | | | | Z | USA | 1 |
| 1213172-CD63 | SS C152-C9558-27<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 7.153 | | | | Z | SWI | 1 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDC LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Z | SWI | 1 |
| I213546-CD40 | SS 0192-09612-73<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 109.700 | | | | | | |
| | | | | | | Z | SWI | 1 |
| I214295-CDC6 | SS 0192-08667-27<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 86.755 | | 160.00 | | | | |
| | | | | | | Z | USA | 5 |
| I214318-CD48 | MR GEORGE I.LIRARAKIS<br>1827-82 STREET<br>BROOKLYN<br>N.Y.11214<br>USA | 496.185 | | | | | | |
| | | | | | | Z | SWI | 1 |
| I215CCC-CD38 | SS 0192-09847-46<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 426<br>1211 GENEVA<br>SWITZERLAND | 133.263 | | | | | | |
| | | | | | | Z | USA | 1 |
| I215361-CD74 | MRS ABDALLAH R.EL NASSER<br>P.O.BOX 75<br>HILLSDALE MICH 49242<br>U.S.A. | 113.839 | | | | | | |
| | | | | | | Z | PAN | 5 |
| I216177-CD16 | MR VICENTE BOUZAS SANTOS<br>C/O ANDRES PALEN<br>315 W. 42TH.ST. APT. 2W<br>NEW YORK<br>N.Y.10036, U.S.A. | 35.861 | | | | | | |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Z | SWI | 1 |
| 1216541-CD93 | SS C192-C2561-51<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211 GENEVA 3<br>SWITZERLAND | 0.176 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1216630-CD92 | MR CHARLEY HAMILTON<br>7401 WEST BOULEVARD<br>INGLEWOOD<br>CALIFORNIA<br>USA | 111.667 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1216665-CD45 | MR LOTHAR MUELLER<br>8007 READING AVENUE<br>LOS ANGELES<br>CALIFORNIA 90045<br>USA | 7.739 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1217700-CDCO | MR KWONG WAH YICK<br>4817 36 ST. N.W.<br>APT. 206<br>WASHINGTON D.C.20008<br>USA | 0.080 | | | | | | |
| | | | | | | Z | THA | 5 |
| 1218627-CD63 | MISS PONGSRI XANTHAVANIJ<br>2196/2 WAT PHARAYA KRAI<br>NEW ROAD<br>BANGKOK<br>THAILAND | 21.330 | | | | | | |
| | | | | | | Z | PHI | 4 |
| 1218986-CD89 | MR ROGER A.KELLY<br>AND MRS JOANN W.KELLY<br>A.SORIANO Y CIA<br>P.O.BOX 247<br>COMMERCIAL CENTER, MAKATI<br>RIZAL D 708, PHILIPPINES | 58.366 | | | | | | |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1219584-CD20 | SS 0192-05873-05<br>OVERSEAS DEVELOPMENT BANK<br>CASE POSTALE 462<br>1211- GENEVA 3<br>SWITZERLAND | 53.018 | | | | Z | SWI | 1 |
| 1221796-CD73 | HERRN PETER KASTL<br>10 BERVERLY DR.<br>DANBURY<br>CONNECTICUT 06810<br>USA 5A | 22.631 | | 4.00 | | Z | USA | 5 |
| 1223837-CD59 | MR ROSPICIO L.CORTES<br>8614 SCHOOL ST.<br>MORTON GROVE<br>ILLINOIS 60053<br>U.S.A. | 58.155 | | 10.00 | | Z | PAN | 5 |
| 1226371-CD86 | MR PICK<br>FOR JESSICA PICK<br>4332 DEN AVENUE<br>SILOIC CITY<br>CALIFORNIA 91604<br>U.S.A. | 131.630 | | | | Z | USA | 5 |
| 1227376-CD37 | MRS.AGBURG ALLISON<br>5525 20 TH AVENUE SACRAMENTO<br>CALIFORNIA<br>USA | 55.839 | | | | B | SWI | 5 |
| 1228088-CD29 | MISS ANDREA E.BRUCE<br>ICS HOLD MAIL<br>119 RUE DE LAUSANNE<br>1200 GENEVA<br>SWITZERLAND | 101.791 | | | | Z | SWI | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I228379-CD68 | MR RIZALINO V.BONIFACIO<br>357 VIEW ST., APT. 7<br>MOUNTAIN VIEW<br>CALIFORNIA 94040<br>USA | 12.202 | | | | Z | USA | 5 |
| I229107-CD22 | MRS VAHDAT AHMADIEH<br>PAHLAVI UNIVERSITY<br>C/O DR.AHMADIEH ENG.DEPT.<br>SHIRAZ<br>IRAN | 124.507 | | | | Z | IRA | 5 |
| I229110-CD53 | DR.RAHMAN SHEIKH-OL-ESLAMI<br>144 N. EL MONTE<br>LOS ALTOS<br>CALIFORNIA 94022<br>USA | 3.809 | | | | Z | USA | 5 |
| I230128-CD45 | MISS LITA P.MACARAIG<br>453 ACALLA ST.,<br>PALM VILLAGE<br>MAKATI<br>RIZAL, PHILIPPINES | 6.589 | | | | Z | PHI | 5 |
| I230168-CD49 | MISS ASUNCION V.MEDINA M.D.<br>C/O A. VER PARAISO<br>154-26 BARCLAY AVE.<br>FLUSHING<br>N.Y.11355, U.S.A. | 142.846 | | 12.13 | | Z | USA | 5 |
| I232190-CD64 | MISS LYDIA G.GALLEGO<br>RT. 4, BOX 147<br>PARIS<br>TEXAS 75460<br>U.S.A. | 5.183 | | | | Z | PAN | 5 |

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I.O.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1232525-CD57 | MR FINN T.CAMKILDE<br>AND/OR MRS MARINA CAMKILDE<br>C/O THE WEST INDIAN CO.LTD.<br>CHARLOTTE AMALIE<br>ST.THOMAS<br>VIRGIN ISLANDS | 16.567 | | | | Z | USA | S |
| 1233614-CD57 | MR PAUL A.TEE<br><br>U.S.HOLD MAIL<br>119 RUE DE LAUSANNE<br>GENEVA<br>SWITZERLAND | 389.772 | | | | Z | SWI | S |
| 1233882-CD54 | MISS BEATRICE E.JANES<br><br>420 SOUTH 10TH. AVE.<br>MT.VERNON<br>N.Y.10550<br>U.S.A. | 124.217 | | | | Z | PAN | S |
| 1234817-CDC8 | MRS REGINA KELLY<br><br>C/O ICS HOLD MAIL<br>119 RUE DE LAUSANNE<br>1200 GENEVA<br>SWITZERLAND | 16.193 | | | | Z | SWI | S |
| 1234872-CD54 | MR ISIDORO A.ALIMENTO<br><br>14802 VAN BUREN AVE.<br>GARDENA<br>CALIFORNIA 90247<br>USA | 371.104 | | | | Z | USA | S |
| 1236064-CD55 | MR HOLGER GOSSMANN<br><br>249 ONEAWA STREET<br>KAILUA<br><br>HAWAII 96734 | 34.604 | | | | Z | HAW | S |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I236913-C070 | MR JAN SKOLD<br>5570 ADELE COURT<br>FORT MYERS<br>FLORIDA 33901<br>U.S.A. | 636.742 | | | | Z | PAN | 5 |
| I240164-C019 | MISS MURIEL E.FINLEY<br>132-12 FOCH BLVD.<br>SO OZONE PARK<br>NEW YORK 11420<br>USA | 62.860 | | | | Z | USA | 5 |
| I241277-C051 | MR WAYNE T.PHILLIPS<br>2827 ST.PAUL ST.<br>BALTIMORE<br>MARYLAND 21218<br>U.S.A. | 135.648 | | | | Z | USA | 5 |
| I242C42-C089 | MR KONNELIS P.HAVIK<br>C/O SHELL PIPELINE CORP.<br>P.O.BOX 2648<br>HOUSTON TEXAS 77001<br>U.S.A | 425.613 | | | 19.17- | Z | PAN | 5 |
| I245103-C008 | MR EDWARD.SISON<br>ALASKA BARGE AND TRANSPORT INC<br>C/O CIC MISTS UNIT<br>APO SAN FRANCISCO 96312<br>CALIFORNIA, USA | 86.117 | | | | Z | USA | 1 |
| I250304-C043 | MR NAPOLEON O.ARMENIO<br>C/O MR IKE SARASOLA<br>5054 VICTORIA AVE., APT.19<br>MONTREAL 247, P.Q.<br>CANADA | 62.247 | | | | Z | CAN | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1250787-CD11 | DR.ROMAN R.CALICA<br>813 SCOTT AVENUE<br>OSHKOSH<br>WISCONSIN 54901<br>U.S.A. | 61.698 | | 25.00 | | Z | USA | 5 |
| 1255183-CD16 | HERRN AXEL KORSCH<br>D-2320 PLOEN<br>AM SCHWANENSEE 2<br>SE 19 | 49.507 | | 12.19 | | Z | GER | 5 |
| 1258057-CD46 | MR NORMAN E.TROTT<br>AND/OR MRS ROSEMARY G.TROTT<br>A.I.S.K.<br>C/O U.S. EMBASSY<br>KABUL<br>AFGHANISTAN | 296.307 | | | | Z | AFG | 5 |
| 1261661-CD50 | MR CHENG CHUN YI<br>693 S.SHATTO PL.<br>APT. 209<br>LOS ANGELES<br>CALIFORNIA 90005,U.S | 79.760 | | | | Z | USA | 5 |
| 1262522-CD57 | DR.JENNY C.CHENG<br>THE HAHNEMANN MEDICAL COLL.HOS<br>230 NORTH BROAD STREET<br>PHILADELPHIA PA.19102<br>USA | 240.087 | | | | Z | SWI | 5 |
| 1267940-CD74 | MRS.KLM JA POWELL<br>2972 WOOLWORTH AV.18<br>OMAHA<br>NEBRASKA 68105<br>U.S.A. | 38.591 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1268185-CD89 | DR.WILFRIDO HERRERO<br>4132-A MARTIGRE STREET<br>ST.LOUIS<br>MISSOURI 63116<br>USA | 5.285 | | | | Z | USA | 5 |
| 1268684-CD89 | MISS ELSIE A.HALL<br>C/O WORLD BANK<br>P.O.BOX 1025<br>ISLAMABAD<br>W-PAKISTAN | 67.199 | | | | Z | PAK | 5 |
| 1270349-CD17 | MR WAQAR H. SAIYED<br>JAFALI BLD.<br>P.O. BOX 60C<br>MECCA<br>SAUDI ARABIA | 68.227 | | | | Z | SAU | 5 |
| 1273456-CD51 | MR LEONIDAS G.KATSIKIS<br>C/O PONJIC'S BROOKLAWN DINER<br>RT. 130 & BROWNING RD.<br>BROOKLAWN, N.J.<br>U.S.A | 31.675 | | 12.59 | | Z | USA | 5 |
| 1276756-CD24 | MISS M.TANTIPATHANANANCH<br>1111 N. HOLLYWOOD AVE.<br>CHICAGO<br>ILLINOIS 60660<br>U.S.A. | 2.656 | | | | Z | USA | 5 |
| 1278567-CD57 | MR JOSEPH N.MANSOUR<br>825 ELM DRIVE<br>RIDGEFIELD<br>N.J. 07657<br>U.S.A. | 348.328 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- CDC LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1296715-CD30 | MR CHONG SOP YUN<br>3706 PENNSYLVANIA<br>KANSAS CITY<br>MO. 64111<br>U.S.A. | 106.861 | | | | Z | USA | S |
| 1319966-CD09 | HERRN AXEL KORSCH<br>D-2320 PLOEN<br>AM SCHWANENSEE 2 | 105.364 | | 8.01 | | Z | GER | S |
| 1325310-CD70 | MR PIERRE GOOSSENS<br>DEPT.OF GEOLOGY AND<br>GEOLOGICAL ENGINEERING<br>MICHIGAN TECHNOL.UNIVERSITY<br>HOUGHTON,MICH.49931. | 233.275 | | | | Z | USA | S |
| 1326655-CD55 | MR YUET MAN LIU<br>KWUN TONG RESETTLEMENT<br>AREA BLOCK 8 ROOM 527 K/F<br>KOWLOON<br>KONG KONG<br>B.C.C. | 75.100 | | | | Z | USA | S |
| 1330532-CD27 | MISS CATALINA S.MALUYO<br>52 1/2 SHARON<br>SAN FRANCISCO<br>CALIFORNIA 94114<br>USA | 2.551 | | | | Z | USA | S |
| 1337612-CD32 | MR ESTANISLAO T.SALCEDO<br>330 LENOX ROAD, APT.2-H<br>BROOKLYN<br>NEW YORK 11226<br>U.S.A. | 41.635 | | | | Z | USA | S |

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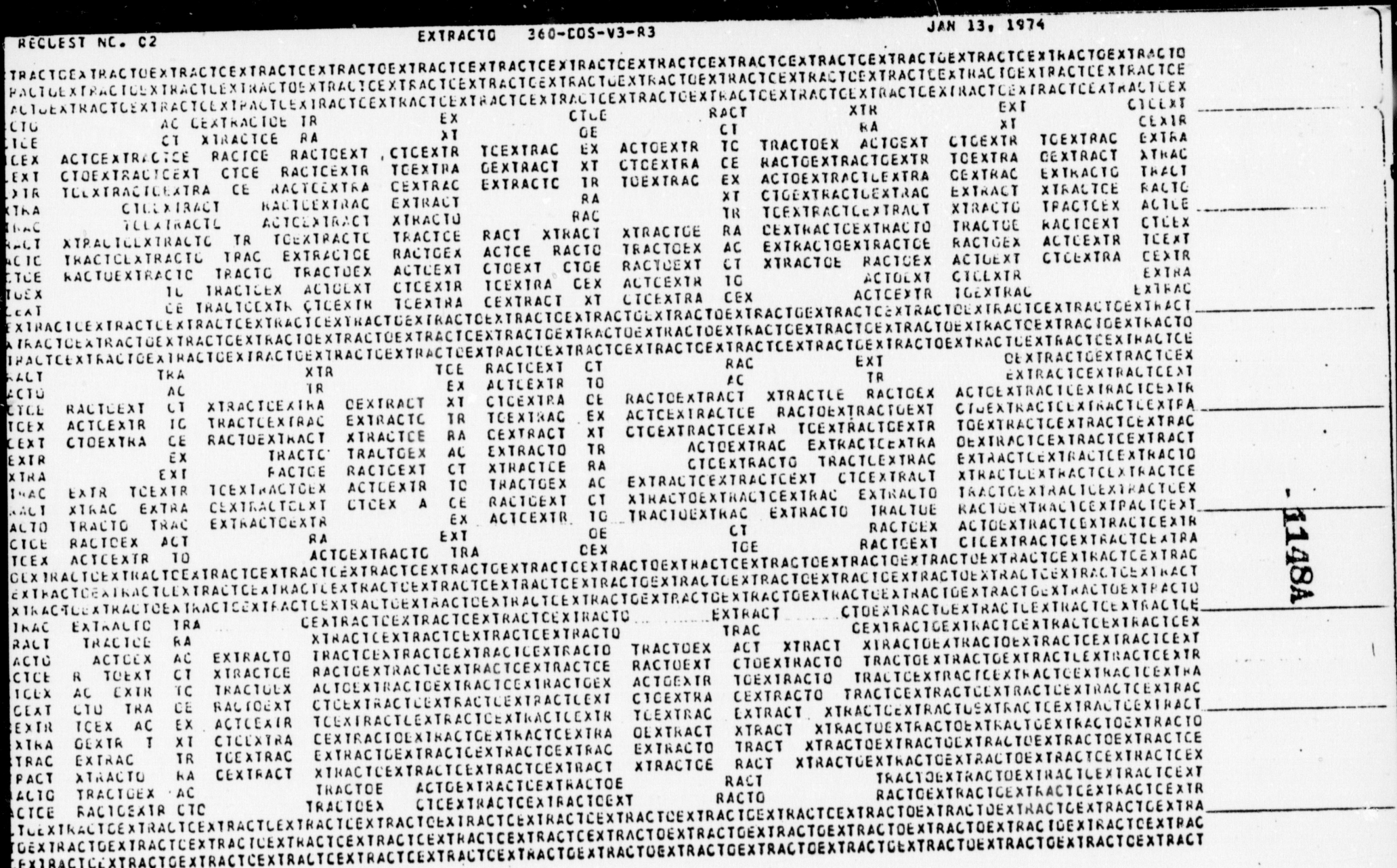
LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - CAPITAL ACCUMULATION CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDO LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Z | NOR | 1 |
| 1340365-CD40 | SMITH AND SMITH A/S A/C<br>MR HARRY BERNANDER<br>BOKS 612 SENTRUM<br>OSLO 1<br>NORWAY | 13.416 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1351501-CD35 | MR ALFONSO LOPEZ CH.<br>C/O WALTER HOFFMAN<br>BOX 60<br>MERCY, PENNA.11756<br>U.S.A. | 33.216 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1356612-CD51 | MR BRITAN SINCH PER<br>P.O.BOX 2016<br>MARYSVILLE<br>CAL. 95901<br>U.S.A. | 45.008 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1357702-CD61 | MRS FAY THECKTISTC<br>2776 FLYAN COURT<br>MANDARIN-FLORIDA<br>U.S.A 32225 | 381.052 | | | | | | |
| | | | | | | Z | USA | 5 |
| 1433864-CD76 | DR.MED.KARL BERGER<br>UND FRAU BEATE BERGER<br>21 WALNUT ROAD<br>GLEN COVE<br>N.Y.11542<br>U.S.A. | 34.217 | | | | | | |

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125 RECORDS PROCESSED FOR THIS REQUEST



////////  INDICATES A DIVISION BY ZERO.
-------  INDICATES INVALID NUMERIC DATA.
*******  INDICATES NUMERIC DATA EXCEEDING THE SPECIFIED LENGTH,
         OR A TOO LONG RESULT IN A MATHEMATICAL EXPRESSION.

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I100043-FD66 | MRS RUTH V KELLY<br>C/O NACIONES UNIDAS<br>CASILLA 179 D<br>SANTIAGO<br>CHILE **CFROO * | 766.444 | | | | Z | CHI | 1 |
| I100108-FD22 | MR RICHARD WARTENBERG<br>1174 - 77 ST.<br>BROOKLYN 28<br>NEW YORK<br>N.Y.<br>U.S.A. **CFROO * | 465.055 | | | | Z | USA | 1 |
| I100652-FD17 | MR OSCAR PALVORSON<br>C/O WELKER<br>P.O.BOX 40<br>CH-7018 FLIMS-WALDHA**CFROO * | 1,792.497 | | | | Z | SWI | 1 |
| I100661-FDC8 | MR. LAWRENCE R. HAYES<br>5548 BEAR ROAD, APT.13-F<br>NORTH SYRACUSE<br>NEW YORK 13212<br>USA **CFRCO * | 1,148.659 | | | | Z | USA | 1 |
| I100696-FD51 | MRS JOY A. HAYMORE<br>C/O EARL B. NICHOLS<br>87 COLUMBIA AVE.<br>EDGEWOOD,RHODE ISLAND 02905<br>U.S.A. **CFROO * | 461.514 | | | | Z | USA | 1 |
| I100706-FD62 | MISS SARA M. GILLEY<br>MRS A.J.ENTZI<br>55 LLENA VISTA<br>YOUNGSTOWN OHIO 44512<br>U.S.A.<br>**CFRCO * | 210.513 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1100721-FD14 | MR. RICARDO A. CORPUS<br>ICS SPECIAL MAILING INSTR.<br>PROCLCTICN SERVICES<br>01-F.V. (USA) | 214.046 | | | | Z | SWI | 1 |
| 1100725-FD54 | MRS GERTRUDE L. GASH<br>C/C GE GE E. JONES<br>2009- : AVE.<br>KEARNEY<br>NEBRASKA<br>U.S.A. **CFNOO * | 429.261 | | | | Z | USA | 1 |
| 1100727-FD74 | MR DONALD R. ROMES<br>ICS SPECIAL MAILING INSTR.<br>PROCLCTICN SERVICES<br>01-F.V. (USA) **CFNOO * | 214.473 | | | | Z | SWI | 1 |
| 1100751-FD17 | MR WILLIAM J. MERRIGAN<br>C/C CIVIL AIR TRANSPORT<br>46 CHUNG SHANNORTH ROAD<br>TAIPEI<br>TAIWAN<br>**CFNOO * | 220.698 | | | | Z | TAI | 1 |
| 1100759-FD97 | INTERNATIONAL CREDIT BANK<br>ACCOUNT 7033<br>P.O. BOX 377<br>1211 GENEVA 11<br>SWITZERLAND<br>**CFNOO * | 670.833 | | | | Z | SWI | 1 |
| 1100765-FD58 | MR JAMES WEINSTEIN<br>P.O. BOX 2419<br>TEHERAN<br>IRAN<br>**CFNOC * | 446.025 | | | | Z | IRA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I100821-FD24 | MR ROBERT D. ADAMS<br>CLIENT HOLD MAIL /<br>INVESTORS OVERSEAS SERVICES<br>C121C-FERNEY-VOLTAIR**CFN00 * | 22.001 | | | | Z | FRA | 1 |
| I100869-FC08 | MR.HENRY W. PRENTICE<br>LA CIMA<br>C6065 TULRO SUL TRASIMENO<br>PERUGIA<br>ITALIA **CFN10 * | 365.758 | | | | Z | ITA | 1 |
| I100697-FD81 | MRS BARBARA J MISENHEIMER<br>IOS SPECIAL MAILING INSTR.<br>PRODUCTION SERVICES<br>01-F.V. (USA) **CFN10 * | 439.588 | | | | Z | SWI | 1 |
| I100944-FD66 | MR LOUIS GARDELLA JNR<br>C/O AMERICAN EMBASSY<br>TEGUCIGALPA<br>HONDURAS **CFN10 * | 220.166 | | | | Z | HOS | 1 |
| I100974-FD69 | MR THEODORE J. GOERING AND<br>MRS SHIRLEY A. GOERING<br>RT.2 BOX 88<br>PETTY PRAIRIE<br>KANSAS 67570<br>U.S.A. **CFN00 * | 207.639 | | | | Z | USA | 4 |
| I100981-FD30 | MR WILLIAM F. BASTICK<br>5-CHOME, 15-16 KAMIUMA<br>SETAGAYA-KU<br>TOKYO<br>JAPAN | 207.639 | | | | Z | JAP | 5 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1101021-F045 | MR.ROBERT E. FILLER AND MRS.MARY JANE FILLER C/O P.O. BOX 4815 NASSAU BAHAMAS **CFN10 * | 2,548.332 | | | | Z | BAH | 1 |
| 1200012-F054 | MR CLEMENT A.F.HASTIE 18 GLEN LAKE DRIVE LARCHMONT NEW YORK, N.Y.10538 USA **1FN00 * | 40.413 | | | | Z | USA | 1 |
| 1200165-F099 | DR. JESUS E.M. ARENAS AND MRS PATRICIA E. ARENAS-ATLEE HAGLAGSTRAAT 6 ORANJESTAD ARUBA N.A. **1FN00 * | 1,819.072 | | | | Z | ANT | 1 |
| 1200171-F050 | MR CHESTER J. NIGLES MILCHEM VENEZUELA CORP. APARTADO 90 MARACAIBO VENEZUELA **CFN00 * | 19.151 | | | | Z | VEN | 1 |
| 1200255-F002 | MR NEWTON B. KNOX AND MRS ESTELLE F. KNOX B.P. 883 TUNIS TUNISIA **1FN00 * | 897.742 | | | | Z | TUN | 1 |
| 1200459-F068 | MRS.MIA COMPTON 1042 KOLOA STREET HONOLULU HAWAII 96816 | 179.774 | | | | Z | HAW | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | ODD LOT | --CASH BALANCES HELD FOR-- INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 120C488-FD51 | MR VINCENT BANKO JR.<br>APARTADO AEREO 12-39<br>BARRANQUILLA<br><br>COLOMBIA S.A.<br>**CFNOO * | 197.062 | | | | Z | COL | 1 |
| 120C5C9-FD73 | MR ALBERT J.LANZ<br>AVENSA-AEROPUERTO<br>MAIQUETIA<br><br>VENEZUELA<br>**1FNOO * | 354.335 | | | | Z | VEN | 1 |
| 120C797-FD72 | CAPTAIN F.T.MCRNEY<br>C/C MR.JAC P.RIJNEKE<br>N.E.S.K.A.<br>KORZESTRAAT 15<br>ANTWERP, BELGIQUE<br>**CFNOO * | 2,553.954 | | | | Z | BEL | 1 |
| 1201212-FD75 | MR. WALTER B. GETWEILER<br>C/C ADRIAN WILSON ASSOCIATES<br>7TH FLOOR SARMIENTO BUILDING<br>MAKATI RIZAL<br>PHILIPPINES<br>**1FNOO * | 207.536 | | | | Z | PHI | 1 |
| 1201502-FDC4 | MR CARRELL M. CUNAFCN<br>C/C JAPAN DOMESTIC AIRLINES<br>TCKYC INTL. AIRPORT<br>TCKYC<br>JAPAN<br>**1FNOO * | 130.5C | | | | Z | JAP | 1 |
| 1201575-FD31 | HERRN VIRGIL BRUNSCN UND<br>FRAU GISELA BRUNSCN<br><br>D-43CC ESSEN<br>MOORENSTR.13 **1FNOO * | 130.585 | | | | Z | GER | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I201626-FD56 | MR.ARTHUR S.LAURILLIARD JR.AND MRS.CONSTANCE T.LAURILLIARD JE S/A CAIXA POSTAL 1150 CAMPINAS - SAO PAULO BRAZIL **1FN0G * | 12.626 | | | | Z | BRA | 1 |
| I201645-FD48 | MR. JOSEPH R. PISKLAK ROBERTS SCHOOL CALLE 61 NO.11-150 MARACAIBO VENEZUELA **1FN0D * | 667.336 | | | | Z | VEN | 1 |
| I201665-FD82 | MR ADELBERT C. MOLDENHAUER AND MRS FRANCES L.MOLDENHAUER 2700 LOXLEY AVE. FAYETTEVILLE ARKANSAS 72701 U.S.A **1FN1C * | 380.405 | | | | Z | USA | 1 |
| I202014-FD76 | MR.KEVIN W. BOEHMANN C/O TANS PO TARBELA DAM COLONY DIST. HAZARA W. PAKISTAN **1FN0D * | 1,045.752 | | | | Z | PAK | 1 |
| I202615-FD46 | MR ARTHUR L DUFFY 523 SECOND STREET FALL RIVER MASSACHUSETTS U.S.A **1FN0D * | 132.293 | | | | Z | USA | 1 |
| I202664-FD31 | MR ALBERT SIRCIS AND MRS MILAGROS SIRCIS 6 BERNESE ST. FAIRHAVEN MASS.02719 U.S.A. **1FN0D * | 148.464 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Z | UKI | 1 |
| 1202677-FD62 | MR. JAMES SHELBY TUCKER JR.<br>7 PEMBROKE STREET<br>EXETER<br>ENGLAND **1FNGO * | 8.401 | | | | | | |
| | | | | | | Z | ERA | 1 |
| 1202693-FD24 | MR.FLOYD EUGENE GRADY AND<br>MRS.OLGA LOIS BURGESS GRADY<br>RUA EXPEDICIONARIOS 438<br>CANCAS<br>R.G.S.<br>BRAZIL **1FNGO * | 444.393 | | | | | | |
| | | | | | | Z | JAP | 1 |
| 1202735-FD58 | MR TIMOTHY E G PIETSCH<br>MEGURO PO BOX 20<br>TOKYO<br>JAPAN **1FNOO * | 491.207 | | | | | | |
| | | | | | | Z | PHI | 1 |
| 1203180-FD44 | MR FREC ELIAS<br>2020 A.MABINI ST APT 401<br>MANILA<br>PHILIPPINES **1FNOC * | 114.923 | | | | | | |
| | | | | | | Z | ERA | 1 |
| 1203285-FD04 | MR ARTHUR H HINKLE<br>CAIXA POSTAL 304<br>CAMPINAS SAO PAULO<br>BRASIL **1FNOO * | 124.913 | | | | | | |
| | | | | | | Z | PAN | 1 |
| 1203352-FD81 | FERRA JOHN M.VASKO<br>RADIATION INC.<br>P.O.BOX 2241<br>APO SAN FRANCISCO 96310<br>U.S.A. **1FN10 * | 253.851 | | | | | | |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
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AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1203362-FD62 | MR HAROLD R FEATHERSTONE<br>314 EAST 24TH.STREET<br>CHESTER<br>PENNSYLVANIA 19013<br>USA **1FN00 * | 381.133 | | | | Z | USA | 1 |
| 1203436-FD39 | MISS MAURINE L. HILL<br>2929 INDIANA<br>KANSAS CITY<br>MISSOURI<br>U S A **1FN10 * | 131.150 | | | | Z | USA | 1 |
| 1203466-FL32 | MR. RICHARD PECK AND<br>MRS.OLGA H. PECK<br>P.O.BOX 764<br>GREEN VALLEY<br>ARIZONA 85614<br>U.S.A **1FN00 * | 261.487 | | | | Z | USA | 1 |
| 1203481-FD84 | MR EDWARD F. BLODGETT<br>C/O ICS FEB. 3155<br>ORIENTAL BLDG RM 8<br>31 YAMASHITA CHO<br>NAKA KU YOKOHAMA<br>JAPAN **1FN00 * | 130.565 | | | | Z | JAP | 1 |
| 1203545-FD70 | MR. FERNANDO RODRIGUEZ<br>MEIJI HEIGHTS APT. 5 C<br>5-15 JINNAN, 1 CHOME<br>SHIBUYA-KU - TOKYO 150<br>JAPAN **1FN00 * | 376.744 | | | | Z | JAP | 1 |
| 1203638-FD79 | MR. B.MARCEL SHALOM<br>23-43 31ST. AVENUE<br>ASTORIA-QUEENS<br>NEW YORK,N.Y 11106<br>U.S.A. | 248.043 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I203659-F081 | MR.RONALD G. KERVER<br>1-33-3 HIGASHI CHO<br>KOGANEI SHI<br>TOKYO<br>JAPAN 184 **1FN0C * | 346.713 | | | | Z | JAP | 1 |
| I203681-F004 | MR FOSTER O SISSON AND<br>MRS ROSELIA M SISSON<br>P.O. BOX 101<br>POST OFFICE NO. 2<br>MANDEVILLE<br>JAMAICA, W.I. **1FN00 * | 609.019 | | | | Z | JAM | 1 |
| I203990-F025 | FERRA GEORGE W.SCOTT<br>C/L ICS<br>D-4000 DUESSELDORF<br>INNERMANNSTR.6 **1FN00 * | 125.782 | | | | B | GER | 1 |
| I204044-F071 | FRL.EMILIE M.DE LONG<br>D-7500 KARLSRUHE<br>WALLENBERGERSTR.13 **1FN0C * | 255.817 | | | | Z | GER | 1 |
| I204245-F001 | MR.PETER A. PASERO<br>220 NORTH FANNING AVENUE<br>APT. 26<br>IDAHO FALLS, IDAHO<br>U.S.A. **1FN0C * | 131.909 | | | | Z | USA | 1 |
| I204262-F073 | DR ADOLF BORCHERT<br>UNIVERSIDAD DE LOS ANDES<br>APARTADO AEREO 4976<br>BOGOTA<br>COLOMBIA | 2,994.602 | | | | Z | COL | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

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| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1204538-FD60 | MR JOHN KRIENDLER<br>BUENOS AIRES<br>DEPARTMENT OF STATE<br>WASHINGTON D.C.20520<br>U.S.A. **1FN00 * | 171.671 | | | | Z | USA | 1 |
| 1204735-FD50 | MR HOMER E. MCINTIRE<br>I.I.A.P.C.C.<br>P.O.BOX 63<br>DJAKARTA<br>INDONESIA **1FN00 * | 126.415 | | | | Z | SIN | 1 |
| 1205116-FD09 | MR.FRANK E. DELLEMANS<br>MOLENSTRAAT 74<br>ANTWERP<br>BELGIQUE **1FN00 * | 115.684 | | | | B | BEL | 1 |
| 1205152-FD63 | MR.DONALD A. OSTRANDER<br>153-B HERITAGE VILLAGE<br>SOUTHBURY<br>CONNECTICUT 06488<br>USA **1FN00 * | 535.207 | | | | Z | USA | 1 |
| 1205590-FD27 | MR.FELIX DONAY AND<br>MRS.MARIANNE DONAY<br>ICS SPECIAL MAILING INSTR.<br>PROTECTION SERVICES<br>01-F.V. **1FN00 * | 366.173 | | | | Z | SWI | 1 |
| 1206325-FD11 | MRS.MARGOT FILL<br>126 N.W. 100 STREET<br>MIAMI-SHORES<br>FLORIDA 33150<br>USA | 116.401 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I2C7330-FD63 | MRS.ANTONIETTA A.AVERY<br>81 CASTLE HOWARD COURT<br>PRINCETON<br>NEW JERSEY 08540<br>U.S.A. **1FN00 * | 123.182 | | | | Z | USA | 1 |
| I2C7553-FD19 | MR JOHN C PEREERT<br>1255 CRANS<br>SWITZERLAND **1FN00 * | 13.847 | | | | Z | SWI | 1 |
| I2C7593-FD59 | MR EUGENE J BERLETT<br>3605 GOUGH STREET<br>BALTIMORE<br>MARYLAND 21224<br>USA **1FN00 * | 204.535 | | | | Z | USA | 1 |
| I2C6475-FD68 | MRS PEARL C.ELLER AND<br>MR FLETCHER J.ELLER<br>3522 C FALCON COURTS NORTH<br>MC GUIRE AFB<br>NEW JERSEY 08641<br>U.S.A. **1FN00 * | 401.587 | | | | Z | USA | 1 |
| I2C6632-FD14 | MR JAMES A.PEASE<br>ICS SPECIAL MAILING INSTR.<br>PROTECTION SERVICES<br>C1-F.V. **1FN00 * | 1,374.127 | | | | Z | SWI | 1 |
| I2C8652-FD36 | DR. GEORGE F.N. ANDERSON AND<br>DR MRS ERIC E. ANDERSON<br>APTOS. PLAYAMAR 3-7-C<br>TORREMOLINOS<br>MALAGA<br>SPAIN | 2,108.666 | | | | Z | SPA | 3 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1209422-FD94 | MR ALEXANDER S.FRASER<br>P.O.BOX 574<br>SALVADOR<br>BAHIA<br>BRAZIL<br>**1FNCO * | 298.216 | | | | Z | BRA | 1 |
| 1209524-FD24 | MR S.SHALOM MIZRAHI AND/OR<br>MRS EVA M.MAUTNER DE MIZRAHI<br>CLIENT HOLD MAIL /<br>INVESTORS OVERSEAS SERVICES<br>C121C-FERNEY-VOLTAIR | 257.861 | | | | Z | FRA | 5 |
| 1209773-FD39 | HERRN GEORGE SCHLLTHEIS<br>D-8000 MUENCHEN<br>KLOPSTOCKSTR.6/XI **1FNCO * | 15.920 | | | | Z | GER | 1 |
| 1210317-FD44 | DR JEAN C.PARTAMIAN<br>HENRY FORD HOSPITAL<br>DETROIT<br>MICHIGAN 48202<br>U.S.A. | 144.922 | | | | Z | USA | 5 |
| 1212217-FD36 | MRS.DOROTHEE M.MC CLAIN<br>ICS LEGAL DEPARTMENT<br>CLAIM ADMINISTRATION<br>01-FERNEY VOLTAIRE | 553.560 | | | | B | FRA | 1 |
| 1214272-FD84 | FRAU ELEONORA MARTIN UND/<br>ODER HERRN DANIEL J.MARTIN<br>D-8860 NOERDLINGEN<br>RELTHENEG 4 | 306.184 | | | | Z | GER | 4 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IOS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1215258-FD43 | MR.RICHARD B. NORTON<br>1728 AZUTA<br>MACHIDA SHI<br>TOKYO<br>JAPAN | 600.502 | | | | Z | JAP | 1 |
| 1215266-FD24 | DR.MOHAMMAD SAADATNEJADI<br>MIC-MISSOURI MENTAL HEALTH<br>CENTER, 803 STADIUM ROAD<br>COLUMBIA, MISS. 65201<br>U.S.A. | 34.195 | | | | Z | USA | 5 |
| 1215340-FD72 | MR LIOR EVAN<br>AND/OR MR EITAN EVAN<br>11 MEYOCT<br>SAVYON<br>ISRAEL | 123.315 | | | | Z | ISR | 1 |
| 1219767-FD88 | MR ANDREW P.HAMILTON<br>C.P.O.BOX 1323<br>TOKYO<br>JAPAN | 517.183 | | | | Z | USA | 5 |
| 1224476-FD54 | MR ROBERT C.GARDNER<br>AND/ OR MRS LIDIA GARDNER<br>438 HIGHLAND AVENUE<br>SAN MATEO<br>CALIFORNIA 94401<br>U.S.A. | 110.000 | | | | Z | PAN | 5 |
| 1226237-FD42 | DR.KENNETH J.REED<br>105 MARLBORO ROAD<br>PITTSBURG<br>PA.15236<br>USA | 1.000.261 | | | | Z | USA | 5 |

**1FN00 *

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1226303-FD19 | MR.MEENASKSHI SUNDARAMAN<br>2655 HOBSON ROAD<br>WOODRIDGE ILL.<br>USA | 208.785 | | | | Z | USA | 5 |
| 1233786-FD14 | MR WALTER A.K.NG<br>FLAT C.102 GLENVIEW APTS.<br>1015 PATRICA DRIVE<br>NASHVILLE<br>TENN.37217, U.S.A. | 565.343 | | | | Z | USA | 5 |
| 1238386-FD79 | MR XAVER REGLI<br>C/O FINTER BANK<br>CORSO S.GOTTARDO<br>CH-6830 CHIASSO | 960.157 | | | | Z | SWI | 1 |
| 1241309-FD94 | MR PARLAJ J.CHHABRIA<br>P.O.BOX 3513<br>LAGOS<br>NIGERIA | 96.024 | | | | Z | NIG | 5 |
| 1248627-FD03 | MISS DOROTHY HAMILTON<br>157-05 45TH.AVENUE<br>FLUSHING<br>N.Y. 11355<br>U.S.A. | 100.633 | | | | Z | USA | 5 |
| 1255113-FD29 | MRS YIM KEI YUE<br>1111 KING ST.<br>SANTA CRUZ<br>CALIFORNIA 95060<br>USA | 90.784 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1255340-FD12 | MR ELIAS ICAN.TRIANTAFILOU<br>1444 1/2 MAIN STREET EAST<br>ROCHESTER<br>N.Y. 14609<br>U.S.A. | 89.640 | | | | Z | USA | 5 |
| 1256535-FD22 | MR TAE DONG KIM<br>EBSCO BIOLOGICAL SUPPLY CO<br>E25C INLAND LAKE RD.<br>DEXTER, MICH.48130<br>U.S.A. | 464.760 | | | | Z | USA | 5 |
| 1261766-FD20 | DR.JAN VENULET<br>AND/OR MRS BARBARA VENULET<br>C/O C.M.S.<br>AV. APPIA<br>1211 GENEVA 27<br>SWITZERLAND | 210.979 | | | | Z | SWI | 1 |
| 1276479-FD36 | MRS ZONG SOOK LEE<br>ICS HOLD MAIL<br>119 RUE DE LAUSANNE<br>1200 GENEVA<br>SWITZERLAND | 453.921 | | | | Z | SWI | 5 |
| 1280000-FD13 | MR IAIN MACGREGOR<br>1 MEADOW CLOSE<br>KINGSTON ST MARY<br>TAUNTON SOMERSET<br>ENGLAND | 373.351 | | | | Z | UKI | 5 |
| 1287232-FD53 | HERBA OTTO HASSELBARTH UND/<br>ODER FRAU ANTJE HASSELBARTH<br>504 PACIFIC COAST HWY.<br>HUNTINGDON BEACH<br>CALIFORNIA 92646<br>U.S.A. | 215.461 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- COD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1291885-F052 | MR TERENCE J.CASEY<br>13927 BARRYKNOLL LANE<br>HOUSTON<br>TEXAS 77024<br>U.S.A. | 187.000 | | | | Z | USA | 1 |
| 1291886-F082 | MR EDWIN J DUCKA<br>AND/OR MRS CLAIRE DUCKA<br>OAEN-MCE-C<br>FORRESTAL BLDG<br>WASH. D.C. 20314<br>U.S.A. | 500.000 | | | | Z | USA | 4 |
| 1291896-F003 | MR NORMAN R.FLURRY<br>MOBIL PRODUCING NIGERIA<br>PRIVATE MAIL BAG 12054<br>LAGOS<br>NIGERIA | 211.000 | | | | Z | NIG | 1 |
| 1292293-F074 | MRS FIONA RAWSON<br>86 DUNDEE ROAD<br>STAMFORD CONN.06903<br>U.S.A. | 483.019 | | | | Z | USA | 1 |
| 1293237-F019 | MRS KANAKPRABHA P.PANDYA<br>P.O.BOX 9103<br>DAR ES SALAAM<br>TANZANIA | 89.891 | | | | Z | TAN | 5 |
| 1298252-F066 | MR ESTEBAN R.ANCHETA<br>P.O.BOX 173<br>APO SAN FRANCISCO<br>CALIFORNIA 96555<br>U.S.A | 92.561 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- IGS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GDC LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I302226-FD18 | MR BARRY D.GREENMAN<br>3 LYNDALE CLOSE<br>FOYLE ROAD<br>LONDON SE3<br>ENGLAND | 191.856 | | | | Z | UKI | 5 |
| I304705-FD58 | MR YUNG-MAO LIU<br>AND/OR MRS. JOSEPHINE LIU<br>11-A CHI-LAN VILLA<br>YANG-MIN-SHAN<br>TAIPEI, TAIWAN<br>NATIONAL REP.OF CHIN | 1,178.706 | | | | Z | TAI | 5 |
| I304587-FD96 | MR OVE S.STEFFENSEN<br>189M GREENFIELDGARDENS<br>EDISON<br>N.J. 08817<br>U.S.A | 174.000 | | | | Z | USA | 5 |
| I305642-FD13 | MR JOSEPH G.GERESCHER<br>AND/OR MRS CH.T.GERESCHER<br>4206 N.W. 48TH.STREET<br>OKLAHOMA CITY<br>OKLAHOMA 73112<br>U.S.A. | 466.000 | | | | Z | USA | 4 |
| I305837-FD86 | DR.FOLAD BEN-ISAAC<br>7917 W. 4TH.STREET<br>LOS ANGELES<br>CALIFORNIA 90048<br>U.S.A. | 500.000 | | | | Z | USA | 5 |
| I310428-FD66 | MRS GERMAINE B.FLANAGAN<br>1250 WOODBROOK CIRCLE WEST<br>APT. C<br>COLUMBUS<br>OHIO 43223, USA | 105.903 | | | | Z | USA | 5 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | ODD LOT | --CASH BALANCES HELD FOR-- INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1317226-FD23 | MR CABOT SEDGWICK<br>SANTA FE RANCH<br>NOGALES<br>ARIZONA 85621<br>U.S.A. | 200.000 | | | | Z | USA | 1 |
| 1317242-FD85 | MR PICK CHEE TANG<br>841 COLUMBUS AVE.<br>SAN FRANCISCO<br>CALIFORNIA 94133<br>U.S.A. | 39.000 | | | | Z | USA | 5 |
| 1317245-FD15 | MR ROBERT VAN DEUSEN<br>LIGHTSTREET ROAD<br>BOX 94<br>BLOOMSBURG PA.17815 | 1,723.000 | | | | Z | USA | 1 |
| 1317249-FD55 | MR ARTHUR L.WILLIAMS<br>C/O CICC/SEA<br>APO 146<br>SAN FRANCISCO<br>CALIFORNIA U.S.A. | 344.000 | | | | Z | USA | 1 |
| 1317251-FD76 | MR WAYNE S.WOOD<br>P.O.BOX 324<br>BALD KNOB<br>ARKANSAS<br>U.S.A. | 246.000 | | | | Z | USA | 1 |
| 1317252-FD86 | MRS ELVA ZARZAVILLA<br>515 N.GENESSE AVE.<br>APT.9<br>LOS ANGELES<br>CALIFORNIA 90046 U.S.A. | 1,696.000 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GOD LGT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1317254-FD06 | MR PAUL D.ZIMMERMANN<br>44-5, 3 CH.OTSUKA<br>HI-GACKA, HIDORI-KU<br>YOKOHAMA<br>JAPAN | 225.000 | | | | Z | JAP | 1 |
| 1317256-FD26 | MR PHILIP CHARLES HOLZBERGER<br>HARMONY ROAD<br>HARLING<br>N.Y.12564<br>U.S.A. | 120.000 | | | | Z | USA | 1 |
| 1317264-FD07 | MADAME ODETTE S.PRICE<br>PRICE RANCH<br>LOS ALAMOS<br>SANTA BARBARA COUNTY<br>CALIFORNIA, U.S.A. | | 259.000 | | | Z | USA | 5 |
| 1318153-FD87 | MR CARLOS E.DOMINGUEZ<br>15424 DALE ROAD<br>CHAGRIN FALLS<br>OHIO 44022<br>U.S.A. | 1,705.000 | | | | Z | USA | 4 |
| 1318172-FD79 | MAJOR PAUL A.GRANGER<br>6505 N.CAMPBELL AVENUE<br>PHOENIX<br>ARIZONA<br>U.S.A. | 205.000 | | | | Z | USA | 1 |
| 1318175-FDC9 | MR FRANK G.DIGRAZIA<br>VIALE AMERICA 11<br>00144 ROMA<br><br>ITALIA | 257.000 | | | | Z | ITA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1318175-FD49 | MRS JOYCE PATHEWAY<br>2 EL VECADO LANE 9<br>SANTA BARBARA<br>CALIFORNIA 93105<br>U.S.A | 421.000 | | | | Z | PAN | 1 |
| 1318184-FD50 | MR PHILIP CHARLES HOLZBERGER<br>HARMONY ROAD<br>PAWLING<br>N.Y.12564<br>U.S.A. | 120.000 | | | | Z | USA | 1 |
| 1318194-FD51 | LT.DAVID HAMILTON KENNY<br>1553 RD AFOS SC.<br>APO 919<br>SAN FRANCISCO<br>CALIFORNIA U.S.A. | 184.000 | | | | Z | USA | 1 |
| 1318203-FD52 | MR MORRIS L.LEWIS<br>6065 WEST MEXICO AVENUE<br>LAKEWOOD<br>COLORADO 80226<br>U.S.A. | 524.000 | | | | Z | USA | 1 |
| 1318204-FD02 | MR MILTON J.LINDNER<br>4523 CROCKETT BLVD.<br>GALVESTON<br>TEXAS 77550<br>U.S.A. | 388.000 | | | | Z | USA | 4 |
| 1318206-FD22 | MR MOLLIS V.DE LOACH<br>C/O I.C.C.C.<br>P.O.BOX 1065<br>TEHERAN<br>IRAN | 180.000 | | | | Z | IRA | 4 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I318210-FD63 | MR CHARLES R.MCWILLIAMS<br>U.S.FORCES<br>NURNBERG EDUCATION CEN.<br>APO 09696<br>D-8500 NURNBERG | 680.000 | | | | Z | GER | 1 |
| I318211-FD73 | MR MICHAEL MARTIROSIAN<br><br>300 E. 57 STREET<br>NEW YORK N.Y.<br>U.S.A. | 187.000 | | | | Z | USA | 1 |
| I318213-FD93 | MR ROBERT R.MAXWELL<br><br>20 CREEKWOOD CIRC.<br>RICHARDSON<br>TEXAS 75080<br>U.S.A. | 847.000 | | | | Z | USA | 1 |
| I318217-FD33 | MR ARTHUR L.MITCHELL<br><br>100 MENANGLE RD.<br>CAMDEN<br>N.S.W.2570<br>AUSTRALIA | 568.000 | | | | Z | AST | 2 |
| I31822C-FD64 | MR JAMES L.MURPHY<br><br>AVDA<br>APARTADO 591<br>MEXICO 1 D.F.<br>MEXICO | 1,542.000 | | | | Z | MEX | 4 |
| I318221-FD74 | MR HARRY ALBERT MC MURRAY<br><br>WYOMING<br>NEW YORK<br><br>U.S.A. | 371.000 | | | | Z | USA | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | ODD LOT | --CASH BALANCES HELD FOR-- INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I31d225-FD14 | MR HUBERT J.GREENSHAW<br>2295 CLAUDE<br>SALEM<br>OREGON 97301<br>U.S.A. | 165.000 | | | | Z | USA | 4 |
| I318233-FD55 | MR E.LESLIE PRIESTMAN<br>BOX 58 SHORE DRIVE<br>BARREN<br>RHODE ISLAND 02885<br>U.S.A. | 300.000 | | | | Z | USA | 1 |
| I31824C-FD66 | MR JEROME M.RIEMER<br>45 GOLDHILL AVE.<br>SINGAPORE 11<br>SINGAPORE | 593.000 | | | | Z | SIN | 1 |
| I318316-FD33 | MRS LUCY W.ADAMS<br>601 WELLESLEY AVE.<br>BERKELEY<br>CALIFORNIA 94706<br>U.S.A. | 339.000 | | | | Z | USA | 1 |
| I31d322-FD54 | MR HENRY C.BAKER<br>C/O W.CALLAHAN<br>149 CENTRAL AVENUE<br>CEDARPARK NEW YORK<br>U.S.A. | 187.000 | | | | Z | USA | 1 |
| I318323-FD04 | MR L.B.BARNES<br>43 FIRST STREET N.<br>AHMADI 5<br>KUWAIT<br>ARABIAN GULF | 535.000 | | | | Z | KUW | 1 |

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| I318331-FD65 | MR WILLIAM R.BOND<br>P.O.BOX 361<br>PICAYUNE<br>MISSISSIPPI<br>U.S.A. | 414.000 | | | | Z | USA | 1 |
| I318333-FD05 | MRS HELENE M.BOWLS<br>C/O F.MORAN VICE PRES.<br>FIRST TRUST & DEPOSIT CO.<br>SYRACUSE N.Y.<br>U.S.A. | 169.000 | | | | Z | USA | 1 |
| I318335-FD25 | MR HENDRIK BRAAT<br>C/O MR J. DE LANNOY<br>EMMALAAN 9<br>DELDERMALSEN<br>HOLLAND | 403.000 | | | | Z | NET | 1 |
| I318338-FD55 | MR WILLIAM C.BRIDGES<br>5625 DANIELS<br>DALLAS<br>TEXAS<br>U.S.A. | 25.000 | | | | Z | USA | 1 |
| I318339-FD65 | MR JOE H.CARPENTER<br>KHARG CHEMICAL CO.<br>P.O.BOX 2425<br>TEHERAN<br>IRAN | 212.000 | | | | Z | IRA | 4 |
| I318341-FD86 | MR FERNANDO C.CASTRO<br>AV.FRANCISCO MIRANDA<br>CARACAS<br><br>VENEZUELA | 171.000 | | | | Z | VEN | 1 |

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I.C.S. FILE

LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - U.S. DOLLARS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- ODD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1318348-F056 | MR ROBERT NICHOLAS COCK JR.<br>406 NO.MAIN ST.<br>GRAHAM<br>NORTH CAROLINA | 263.000 | | | | 2 | USA | 1 |
| 1318349-F066 | MRS MARIE CORNFIELD<br>7 PARK AVENUE SUITE 32<br>NEW YORK 16 N.Y.<br>U.S.A. | 935.000 | | | | 2 | USA | 1 |

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14C RECORDS PROCESSED FOR THIS REQUEST



////////  INDICATES A DIVISION BY ZERO.
--------  INDICATES INVALID NUMERIC DATA.
********  INDICATES NUMERIC DATA EXCEEDING THE SPECIFIED LENGTH,
OR A TOO LONG RESULT IN A MATHEMATICAL EXPRESSION.

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LIST OF U.S. RESIDENTS HOLDING FUND SHARES
***** INTERNATIONAL INVESTMENT TRUST *****
AS AT MAY 31, 1972

PLAN TYPE - FULLY PAID PLAN  CURRENCY - GUILDERS

| ACCOUNT NO. | NAME AND ADDRESS OF CUSTOMER | --NO. OF UNITS HELD UNDER-- ICS PROGRAM | INDIVIDUAL | --CASH BALANCES HELD FOR-- GOD LOT | INSURANCE | ACCT STAT | CNTRY CODE | CITZN SHIP |
|---|---|---|---|---|---|---|---|---|
| 1302755-FFC1 | MR.PIETER BERGEMA<br>412 MALLORY WAY<br>CHAI CALIFORNIA 92023<br>USA | 272.940 | | | | Z | USA | 5 |

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Woods, Gordon & Co.

EXHIBIT
U. S. Dist. Court
S. D.

JUN 14 1974

8



Plaintiffs' Exhibit 8

January 10, 1974

1177A

MEMORANDUM TO: Jack Biddell

FROM: Aldo Neim

Re: List of U.S. Residents Holding Fund Shares in IOS as at May 31, 1972

Attached is a computer print-out showing the outstanding Fund shares and cash balances held by U.S. residents in the 4-Dollar Funds of IOS as at May 31, 1972.

Our selection has been based on a residency code in the files. However, you will notice that some fundholders may have changed their residence subsequent to their participation in the IOS program, and neglected to advise IOS thereof. These accounts have been printed out for review, in case a follow-up is desired. Of course, it is also possible that their legal residency is still in the U.S.A., or that alternatively there may have been a coding error in the IOS files.

The number of shares held has been shown to three decimal positions of a share unit. The cash balances represent: for odd lots - the amount of cash which was received but was not invested because of one reason or another; and for insurance - the cash held to meet future insurance premiums which were not used. The currency of the outstanding cash balances is indicated at the top of each page.

We have also printed a status code for each account. The code symbols have the following meaning:

1178A

| Code | Meaning |
|---|---|
| A | Block all liquidations except those for insurance premium due and automatic withdrawals. |
| b | Block all liquidations except those for insurance premium due. |
| C | CAP or CAPINS completed, block further investments. |
| L | Account is totally liquidated, block further transactions except a T area fix. |
| R | Account has been completely refunded, block further transactions except a T area fix. |
| Z | Account open, all transactions are processable. |
| / | Account closed and unprocessable, block all transactions except a T area fix. |
| 1 | For L cards only - unblock an account record already blocked with processable characters A or B and the liquidation to be processed. After the transaction the account record is again blocked with A or B. |

* * * * *

If we can be of further assistance, please give me a call.

AJN:DT
Encl.

PLAINTIFF'S

UN 14 1974

January 14, 1974

1179A

TO: Jack Biddell
cc: Aldo Neim

**Plaintiffs' Exhibit 9**

OM: John Rouse

Re: Second List of U.S. Residents Holding Fund Shares in 10S as at May 31, 1973

Attached is a computer print-out showing the outstanding fund shares and cash balances held by U.S. residents, as determined by a citizenship code, in the 4-Dollar Funds of 10S as at May 31, 1972.

The selection criteria for this listing was identical to the previous one except we have used a Citizenship Code in place of the previous residency code. The citizenship codes printed on the reports have the following meaning:

| Code | Meaning |
|---|---|
| 1 | Applicant is U.S. citizen |
| 2 | Applicant and Co-applicant, Applicant is U.S. citizen |
| 3 | Applicant and Co-applicant, Co-applicant is U.S. citizen |
| 4 | Applicant and Co-applicant U.S. citizen |
| 5 | U.S. Residents but not U.S. Nationals. |

This run has produced some additional accounts not on the first set of reports, as well as repeating many of the previously listed accounts containing a 'USA' residency code.

I have also included a copy of the interpretation of the three letter country codes.

* * * * *

If we can be of further assistance, please call us.

JR:amg

Pltf's Ex 10 - 1180A

ENCAP LIMITED

**Plaintiffs' Exhibit 10**

An Extraordinary General Meeting of the members of the above-named Company was held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 31st day of August, A.D., 1972 at 11.00 o'clock in the forenoon.

All of the members were present in person or by proxy, namely:-

Anthony Nomikos Klonaris,

Jeremy Carson James Waddell,

Evelyn Priscilla Bradley,

Joan Lynn Thompson, by her proxy
Jeremy Carson James Waddell,

Mavis Edna Seymour,

Richard C. Pistell, and

Armoury de Riencourt, by his proxy
Richard C. Pistell.

On motion, Mr. Richard C. Pistell, the President of the Company, took the Chair and Mr. Jeremy Carson James Waddell acted as Secretary of the meeting.

The Chairman presneted the proxy from Mr. Armoury de Riencourt, authorising Mr. Pistell to represent him at this meeting. The said proxy was read to the meeting and ordered to be attached to these minutes.

Mr. Jeremy Carson James Waddell presented the proxy from Mrs. Joan Lynn Thompson, authorising Mr. Waddell to represent her at this meeting. The said proxy was read to the meeting and ordered to be attached to these minutes.

The minutes of the First General meeting of the members held on the 4th day of July, A.D, 1972 were read and confirmed.

On motion duly made and seconded, the following Ordinary Resolution was unanimously agreed to, namely:-

> RESOLVED that the capital of the Company be increased to US$3,010,000 divided into 10,000 Ordinary Shares of US$1 each and 30,000 Redeemable Preference Shares of US$100 each by the creation of 5,000 Ordinary Shares ranking in all respects pari passu with the existing Ordinary Shares in the Capital of the Company and 30,000 Redeemable Preference Shares of US$100 each conferring upon the holders thereof the following rights and issued subject to the following provisions:-

(1) The right in a winding-up of the Company to repayment of the capital paid up thereon in priority to the Ordinary Shares but shall not entitle the holders thereof to any further or other participation in the profits or assets of the Company in a winding-up;

(2) The right to receive out of the profits of the Company which it shall be determined to distribute in respect of any fiscal year of the Company to 31st December a fixed non-cumulative dividend at the rate of six per cent per annum on the capital for the time being paid up thereon in priority to any dividend on the Ordinary Shares provided that no dividend shall be payable in respect of any of the said shares which were not issued and fully paid on the first day of such fiscal year;

(3) The right to receive a further non-cumulative dividend if declared in respect of each fiscal year of the Company and in priority to any dividend on the Ordinary Shares in respect of the said fiscal year of an aggregate amount equal, as a class, to one-third of the Residual Earnings of the Company for the said fiscal year.

"Residual Earnings" shall mean for the purposes hereof the net earnings of the Company calculated without regard to any extraordinary items for the said fiscal year, as certified by its auditors, after deduction therefrom of (i) all amounts charged against such net earnings in respect of all taxes, duties or other impositions, (ii) the said 6% dividends provided in paragraph (2) hereof, and (iii) interest, dividends or other distributions paid to the holders of any class of shares or securities of the Company carrying rights to such dividends in priority to the rights of the holders of the said Redeemable Preference Shares. The certificate of the independent firm of public accountants regularly employed by the Company in the audit of its books shall be conclusive and binding upon the Company and the holders of the Redeemable Preference Shares with respect to the amount of the Company's net earnings and the amount of the Residual Earnings.

(4) The said dividends provided in paragraphs (2) and (3), if declared, hereof shall be declared and paid by the Company within 60 days of the receipt by the Company of its Auditors report and audited balance sheet for each fiscal year of the Company;

(5) The Company at its option may redeem out of any profits or monies of the Company which may lawfully be applied for that purpose all or any of the Redeemable Preference Shares outstanding at any time by paying therefor in cash US$100 per share plus an amount per share, payable in lieu of the dividends provided in paragraphs (2) and (3) hereof, equal to a divided accruing at the rate of six per cent per annum on the capital for the time being paid up in respect of the period commencing on the first day of the fiscal year of the Company in which the redemption occurs and ending on the date of redemption. Notice of redemption specifying the time and place of redemption shall be mailed to the holders of Redeemable Preference Shares whose shares are to be redeemed at their respective addresses as the same may appear on the records of the Company at least fifteen days prior to the date specified therein for redemption From and after the date specified in any such notice as the redemption date, unless the Company shall fail to provide monies at the time and place specified in such notice for the payment of the redemption price, all rights of the holders thereof as shareholders of the Company, except the right to receive the redemption price, shall cease and terminate. If the Company should at any time determine to redeem a part only of the said Redeemable Preference shares for the time being outstanding, the shares to be redeemed shall be determined by a drawing to be made by the directors at the Registered Office of the Company or such other place as the directors may determine;

(6) The said Redeemable Preference Shares shall not entitle the holders to receive notice of or attend or vote at any general meeting by virtue of their holdings thereof unless the business of the meeting includes the consideration of a resolution for the sale of the undertaking of the Company or for altering the objects of the Company or for winding-up the Company or any resolution varying or abrogating any of the special rights or privileges attached to the said Redeemable Preference Shares or for the creation of any class of shares or securities of the Company carrying rights as to dividend or in a winding -

up of the Company in priority to the said Redeemable Preference Shares in which case they shall only be entitled to vote on any such resolution.

On motion duly made and seconded, Mr Jeremy Carson James Waddell, an Assistant Secretary of the Company, was instructed to record a copy of this Ordinary Resolution with the Registrar General.

On motion, the meeting adjourned.

Chairman.

Assistant Secretary.

A. N. Klonaris.

Evelyn P. Bradley

Mavis Seymour

Signed by Jeremy Carson James Waddell as proxy for:- Joan Lynn Thompson.

Signed by Richard C. Pistell as proxy for:- Armoury de Riencourt.

1183A

# PROXY

BAHAMA ISLANDS

New Providence

I, Joan Lynn Thompson ----------

being a member of Vencap Limited ----------

hereby nominate, constitute and appoint Jeremy Carson James Waddell of Nassau, Bahamas, Solicitor or failing him Evelyn Priscilla Bradley also of Nassau, Clerk

as my proxy to vote for me and on my behalf at the Extraordinary General Meeting of the said Company to be held on the 31st day of August A.D., 1972 and at any adjournment or adjournments thereof.

AS WITNESS my hand this 25th day of August A.D., 1972.

Joan L. Thompson

Signed by the said Joan Lynn Thompson

in the presence of:-

Mavis Seymour

1184A

VENCAP LIMITED

At an Extraordinary General Meeting of the members of the above-named Company held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 31st day of August, A.D., 1972, the sub-joined Ordinary Resolution was duly passed.

On motion duly made and seconded, the following Ordinary Resolution was unanimously agreed to, namely:-

RESOLVED that the capital of the Company be increased to US$3,010,000 divided into 10,000 Ordinary Shares of US$1 each and 30,000 Redeemable Preference Shares of US$100 each by the creation of 5,000 Ordinary Shares ranking in all respects pari passu with the existing Ordinary Shares in the Capital of the Company and 30,000 Redeemable Preference Shares of US$100 each conferring upon the holders thereof the following rights and issued subject to the following provisions:-

(1) The right in a winding-up of the Company to repayment of the capital paid up thereon in priority to the Ordinary Shares but shall not entitle the holders thereof to any further or other participation in the profits or assets of the Company in a winding-up;

(2) The right to receive out of the profits of the Company which it shall be determined to distribute in respect of any fiscal year of the Company to 31st December a fixed non-cumulative dividend at the rate of six per cent per annum on the capital for the time being paid up thereon in priority to any dividend on the Ordinary Shares provided that no dividend shall be payable in respect of any of the said shares which were not issued and fully paid on the first day of such fiscal year;

(3) The right to receive a further non-cumulative dividend if declared in respect of each fiscal year of the Company and in priority to any dividend on the Ordinary Shares in respect of the said fiscal year of an aggregate amount equal, as a class, to one-third of the Residual Earnings of the Company for the said fiscal year.

"Residual Earnings" shall mean for the purposes hereof the net earnings of the Company calculated without regard to any extraordinary items for the said fiscal year, as certified by its auditors, after deduction therefrom of (i) all amounts charged against such net earnings in respect of all taxes, duties or other impositions, (ii) the said 6% dividends provided in paragraph (2) hereof, and (iii) interest, dividends or other distributions paid to the holders of any class of shares or securities of the Company carrying rights to such dividends in priority to the rights of the holders of the said Redeemable Preference Shares. The certificate of the independent firm of public accountants regularly employed by the Company in the audit of its books shall be conclusive and binding upon the Company and the holders of the Redeemable Preference Shares with respect to the amount of the Company's net earnings and the amount of the Residual Earnings.

(4) The said dividends provided in paragraphs (2) and (3) hereof, if declared, shall be declared and paid by the Company within 60 days of the receipt by the Company of its Auditors report and audited balance sheet for each fiscal year of the Company;

(5) The Company at its option may redeem out of any profits or monies of the Company which may lawfully be applied for that purpose all or any of the Redeemable Preference Shares outstanding at any time by paying therefor in cash US$100 per share plus an amount per share, payable in lieu of the dividends provided in paragraphs (2) and (3) hereof, equal to a dividend accruing at the rate of six per cent per annum on the capital for the time being paid up in respect of the period commencing on the first day of the fiscal year of the Company in which the redemption occurs and ending on the date of redemption. Notice of redemption specifying the time and place of redemption shall be mailed to the holders of Redeemable Preference Shares whose shares are to be redeemed at their respective addresses as the same may appear on the records of the Company at least fifteen days prior to the date specified therein for redemption. From and after the date specified in any such notice as the redemption date, unless the Company shall fail to provide monies at the time and place specified in such notice for the payment of the redemption price, all rights of the holders thereof as shareholders of the Company, except the right to receive the redemption price, shall cease and terminate. If the Company should at any time determine to redeem a part only of the said Redeemable Preference Shares for the time being outstanding, the shares to be redeemed shall be determined by a drawing to be made by the directors at the Registered Office of the Company or such other place as the directors may determine;

(6) The said Redeemable Preference Shares shall not entitle the holders to receive notice of or attend or vote at any general meeting by virtue of their holdings thereof unless the business of the meeting includes the consideration of a resolution for the sale of the undertaking of the Company or for altering the objects of the Company or for winding-up the Company or any resolution varying or abrogating any of the special rights or privileges attached to the said Redeemable Preference Shares or for the creation of any class of shares or securities of the Company carrying rights as to dividend or in a winding-up of the Company in priority to the said Redeemable Preference Shares in which case they shall only be entitled to vote on any such resolution.

I, Jeremy Carson James Waddell, Assistant Secretary of Vencap Limited, hereby certify that the foregoing is a true copy of an Ordinary Resolution which was duly passed as an Ordinary Resolution at a meeting of the above-named Company held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 31st day of August, A.D., 1972 at which meeting all of the members of the Company for the time being entitled, according to the regulations of the Company, to vote were present in person or by proxy.

IN WITNESS WHEREOF I have hereunto set my hand and the Common Seal of the Company this 31st day of August, A.D., 1972.

SEAL

(Sgd.) J.C.J. Waddell
Assistant Secretary.

VENCAP LIMITED

The First General Meeting of the members, as Incorporators, of the above-named Company was held by order of the Directors of the said Company at Building No. 309, Bay Street, Nassau, Bahamas on the 4th day of July, A.D., 1972 at 3.00 o'clock in the afternoon.

All of the Incorporators were present, namely:-

Anthony Nomikos Klonaris,
Jeremy Carson James Waddell,
Evelyn Priscilla Bradley,
Joan Lynn Thompson, and
Mavis Edna Seymour.

On motion, Mr. Anthony Nomikos Klonaris took the Chair and Mr. Jeremy Carson James Waddell acted as Secretary of the meeting.

The Chairman informed the meeting that the Company had been incorporated earlier that day and he presented the Certificate of Incorporation together with certified copies of the Memorandum and Articles of Association.

On motion duly made and seconded, Messrs. Richard C. Pistell, Ernest Raymond Lawson, Charles Murphy and Jeremy Carson James Waddell were elected Directors of the Company for the ensuing year.

On motion duly made and seconded, Mr. Richard C. Pistell was elected President and Treasurer of the Company for the ensuing year.

On motion duly made and seconded, Mr. Ernest Raymond Lawson was elected Vice-President and Assistant Secretary of the Company for the ensuing year.

On motion duly made and seconded, Mr. Charles Murphy was elected Secretary of the Company for the ensuing year.

On motion duly made and seconded, Mr. Jeremy Carson James Waddell was elected Assistant Secretary of the Company for the ensuing year.

On motion duly made and seconded, it was resolved that the seal impressed in the margin hereof be adopted as the Common Seal of the Company.

On motion duly made and seconded, it was resolved that the

Registered Office of the Company be situate in Building No. 309 on the North side of Bay Street in the City of Nassau, and that the necessary sign be displayed outside of the said Building.

On motion duly made and seconded, it was resolved that an Assistant Secretary be instructed to notify the Registrar General of the situation of the Registered Office and to have the same advertised in the Official Newspaper.

The Assistant Secretary presented a form of share certificate to the meeting, and, on motion duly made and seconded, the same was approved and it was resolved that the Directors be authorised to issue the shares in accordance with the provisions of the Articles of Association ofthe Company.

On motion duly made and seconded, it was resolved that an Assistant Secretary be instructed to file the Annual Statement required by Section 23 ofThe Companies Act with the Registrar General.

On motion, the meeting adjourned.

A. N. Klonaris
Chairman.

J. C. S. Woodside
Assistant Secretary.

Evelyn P. Bradley.

Joan L. Thompson

M E S
Mavis Symonette

1188A

VENCAP LIMITED

The First General Meeting of the members, as Incorporators, of the above-named Company will be held at Building No. 309, Bay Street, Nassau, Bahamas on the 4th day of July, A.D., 1972 at 3.00 o'clock in the afternoon.

Dated the 4th day of July, A.D., 1972.

_____
Director.

_____
Director

_____
Director

_____
Director

- 1189A

Reg. No. 19,057/72

Nassau, Bahamas.
4th July, 1972.

The Registrar General,
Nassau.

Sir,

Pursuant to the provisions of Section 33 of The Companies Act I have the honour to inform you that the Registered Office of VENCAP LIMITED is situate in Building No. 309 on the North side of Bay Street in the City of Nassau.

Yours obediently,

Assistant Secretary,
VENCAP LIMITED.

- 1190A

N O T I C E

Pursuant to the provisions of Section 33 of The Companies Act, notice is hereby given that the Registered Office of VENCAP LIMITED is situate in Building No. 309 on the North side of Bay Street in the City of Nassau, Bahamas.

CARSON, LAWSON & CO.,
Attorneys for the above-named Company.

3 insertions please.

No. 19,057/72 - 1191A

VENCAP LIMITED

# STATEMENT

made up to the 18th day of July 19 72

being the fourteenth day succeeding the day of the Ordinary general meeting or the First Ordinary general meeting in 19 72 , showing the following particulars:

| Surnames and Christian Names of Members of Company | Addresses | Occupations | Shares held by each |
|---|---|---|---|
| Klonaris, Anthony Nomikos | Nassau, Bahamas | Attorney-at-Law | 1 |
| Waddell, Jeremy Carson James | " " | Solicitor | 1 |
| Bradley, Evelyn Priscilla | " " | Clerk | 1 |
| Thompson, Joan Lynn | " " | Clerk | 1 |
| Seymour, Mavis Edna | " " | Clerk | 1 |

| | |
|---|---|
| 1. Amount of capital. | U.S.$5,000 |
| 2. Number of shares into which capital is divided. | 5,000 shares of U.S.$1 each |
| 3. Number of shares taken from commencement of company to date. | 5 |
| 4. Amount of calls made on each share. | Fully paid |
| 5. Total amount of calls received. | Fully paid |
| 6. Total amount of calls unpaid. | Nil. |
| 7. Total amount of shares forfeited. | Nil. |

Persons who have ceased to be members since last return was made.

| Names | Addresses | Occupations | Shares held by each |
|---|---|---|---|
| N I L. | | | |

(Turn over)

- 1192A

COPY OF REGISTER SHOWING THE NAMES, ADDRESSES AND OCCUPATIONS OF DIRECTORS OR MANAGERS

Richard C. Pistell, Nassau, Bahamas, Executive; President, Treasurer and Director,

Ernest Raymond Lawson, Nassau, Bahamas, Attorney-at-Law; Vice-President, Assistant Secretary and Director,

Charles Murphy, 99 Park Avenue, New York, U.S.A., Executive; Secretary and Director, and

Jeremy Carson James Waddell, Nassau, Bahamas, Solicitor; Assistant Secretary and Director.

Assistant Secretary.

N.B.-This statement must be sealed with the Company's Seal.

Changes in directors or managers must be notified from time to time as they occur.

1193A

No. 19,057/72

# BAHAMA ISLANDS,

## NEW PROVIDENCE

I, SYLVIA ANITA BONARY, Deputy,

Registrar General for the Bahama Islands, do hereby certify that a Memorandum of Association of VENCAP LIMITED has this day been registered in my office under the provisions of The Companies Act (Ch. 184)

Whereby the said Parties have become and are an incorporated Company under the name and style of VENCAP LIMITED

And I further certify that the Liability of the said Company is Limited

Given under my hand at the City of Nassau the 4th day of July, A.D., 19 72.

Sylvia A. Bonaby

Deputy Registrar General.

31.8.72 Capital changed to US$3,000,000 divided into 10,000 Ordinary Shares of US$1 each and 30,000 Redeemable Preference shares of US$100 each

*Register of Member of* VENCAP LIMITED

ORDINARY SHARES

| Number of Certificate | NAME OF MEMBER | ADDRESS | OCCUPATION | Number of Shares | From No. to No. | Amount Paid or agreed to be paid on each share | Date of Entry | Date When Ceased to be Member | REMARKS |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Klonaris, Anthony Nomikos | Nassau, Bahamas | Attorney-at-Law | 1 | 1 | US$1 | 4.7.72 | | |
| 2 | Waddell, Jeremy Carson James | " " | Solicitor | 1 | 2 | US$1 | 4.7.72 | | |
| 3 | Bradley, Evelyn Priscilla | " " | Clerk | 1 | 3 | US$1 | 4.7.72 | | |
| 4 | Thompson, Joan Lynn | " " | Clerk | 1 | 4 | US$1 | 4.7.72 | | |
| 5 | Seymour, Mavis Edna | " " | Clerk | 1 | 5 | US$1 | 4.7.72 | | |
| 6 | Pistell, Richard C. | " " | Executive | 1,995 | 6 to 2,000 incl. | US$1 | 31.7.72 | | |
| 7 | Riencourt, Armoury de | Geneva, Switzerland | Executive | 2,000 | 2,001 to 4,000 incl. | US$1 | 31.7.72 | 21.5.73 | |
| 8 | Walter Blackman | Freeport, Grand Bahama | | 2,000 | 2,001 to 4,000 incl. | US$1 | 21.5.73 | | |

-1194A-

31.8.72 Capital changed to US$3,010,000 divided into 10,000 Ordinary Shares of US$1 each and 30,000 Redeemable Preference shares of US$100 each

*Register of Member of* VENCAP LIMITED

Redeemable Preference Shares

| Number of Certificate | NAME OF MEMBER | ADDRESS | OCCUPATION | Number of Shares | From No. to No. | Amount Paid or agreed to be paid on each share | Date of Entry | Date When Ceased to be Member | REMARKS |
|---|---|---|---|---|---|---|---|---|---|
| 1 | International Investment Trust | Luxembourg | Company | 30,000 | 1 to 30,000 incl. | US$100 | | | |

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Register of Directors of VENCAP LIMITED

| NAME OF DIRECTOR | ADDRESS | OCCUPATION | Date of Election | Date When Ceased to be Director | REMARKS |
|---|---|---|---|---|---|
| Pistell, Richard C. | Nassau, Bahamas | Executive | 4.7.72 | | |
| Lawson, Ernest Raymond | " " | Attorney-at-Law | 4.7.72 | | |
| Murphy, Charles | New York, U.S.A. | Executive | 4.7.72 | 17.3.73 | |
| Waddell, Jeremy Carson | Nassau, Bahamas | Solicitor | 4.7.72 | | |
| Blackman, Walter | Freeport, Grand Bahama | | 17.3.73 | | |

1196A

- 1197A

RECEIVED
JUN 4 1972
Registrar General's Office

BAHAMA ISLANDS

New Providence.

I, David Cherril Thompson of the Island of New Providence, Articled Clerk, make oath and say that I was present and saw Anthony Nomikos Klonaris, Attorney-at-Law; Jeremy Carson James Waddell, Solicitor, Evelyn Priscilla Bradley, Clerk, Joan Lynn Thompson, Clerk, and Mavis Edna Seymour, Clerk, all of the said Island of New Providence, sign and deliver the annexed Articles of Association dated the 30th day of June 19 72 for the purposes therein mentioned; and that I subscribed my name as the witness to the due execution thereof.

Sworn to this 30th day of June 1972) (Sgd.) D.C. Thompson

Before me,

(Sgd.) E.R. Lawson (Seal)

Notary Public.

BAHAMA ISLANDS.

The Companies Act.

ARTICLES OF ASSOCIATION

OF

VENCAP LIMITED

Explanatory.

1. In these presents, unless there be something in the subject or content inconsistent therewith:-

"The company" means the registered office for the time being of the company.

"The Statutes" means The Companies Act and any amendments thereto for the time being in force and any other Act for the time being in force in the Commonwealth of the Bahama Islands and concerning companies incorporated under The Companies Act.

"The register" means the register of members to be kept pursuant to Section 22 of The Companies Act.

"The seal" means the common seal of the company.

"Month" means calendar month.

"In writing" and "written" mean and include words printed, lithographed, represented or reproduced in any mode in a visible form.

"The directors" means the directors for the time being of the company.

"Special resolution" and "Extraordinary resolution" have the meanings assigned thereto respectively by The Companies Act.

Words importing the singular number only include the plural number, and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

2. In addition to the registered office of the company in the Commonwealth, the company may have an office for the transaction of business at any other place or places.

Shares.

3. None of the funds of the company shall be employed in the purchase of, or lent on, shares of the company.

4. The business of the company may be commenced as soon after the incorporation of the company as the directors shall think fit, and notwithstanding that part only of the shares may have been allotted.

5. The shares shall be under the control of the directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times as the directors think fit.

6. Save as herein otherwise provided, the company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a court of competent jurisdiction, or as by any Act required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

7. The company may exercise any power conferred by law to dispense with distinguishing or denoting numbers for shares.

Certificates.

8. The certificates of title to shares shall be issued under the seal of the company, and shall be signed by the President or the Vice-President, and shall be countersigned by the Secretary or some other person appointed by the directors.

9. Every member shall be entitled to one certificate for the shares or, as the case may be, the shares of each class registered in his name, or to several certificates each for one or more of such shares, and every certificate of shares shall specify the shares in respect of which it is issued, and the denoting numbers thereof, if any, and the amount paid up thereon.

10. If any certificates be worn out or defaced, then upon production thereof to the directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the directors, and on such indemnity as the directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

Company's Lien on Shares.

11. The company shall have a first and paramount lien upon all the shares registered in the name of each member, and upon the proceeds of sale thereof, for his debts, liabilities, and engagements, solely or jointly with any other person, to or with the company whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article 6 hereof is to have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares.

12. For the purpose of enforcing such lien, the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his personal representatives, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

13. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements of such member and the residue (if any) paid to him, his personal representatives or assigns.

14. Upon any sale for enforcing a lien in purported exercise of the powers hereinbefore given, the directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively.

Transfer and Transmission.

15. The instrument of transfer of any share shall be signed by both the transferor and transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

16. Shares in the company may be transferred in any form which the directors may think fit to register.

17. The directors may decline to register a transfer of any share on which the company has a lien. They may also decline to register a transfer of any share to any person of whom they do not approve. And they may also decline to register a transfer of any share without assigning any reason therefor.

18. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the directors may require to prove the title of the transferor or his right to transfer the shares.

19. The personal representatives of a deceased registered member (not being one of several joint holders) shall be the only persons recognised by the company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint registered holders of any registered share, the survivors shall be the only persons recognised by the company as having any title to or interest in such shares.

20. Any person becoming entitled to shares in consequence of the death or bankruptcy of any registered member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the directors think sufficient, may be registered as a member in respect of the shares, or may subject to the regulations as to transfers hereinbefore contained, transfer such shares. The directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

## Alteration of Capital.

21. The company may from time to time by ordinary resolution increase its capital by the creation of new shares of such amount as the resolution for such increase shall prescribe.

22. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the company, and with a special or without any right of voting. Subject to the provisions of Section 30F of The Companies Act, any preference shares may be issued on the terms that they are, or at the option of the company are liable, to be redeemed on such terms and insuch manner as the company before the issue of the shares may by special resolution determine.

23. If any difficulty shall arise in the apportionment of such new shares, or any of them amongst the members, such difficulty shall, in the absence of direction by the company be determined by the directors.

24. Except so far as otherwise provided by the conditions of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to transfer and transmission, forfeiture, lien, and otherwise.

25. The company may from time to time by ordinary resolution:-

(A) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, or

(B) Cancel any shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited, and diminish the amount of its share capital by the amount of the shares so cancelled, or

(C) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject to the provisions of Section 10(1)(d) of The Companies Act, and so that as between the holders of the resulting shares one or more of such shares may by the resolution by which the sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares.

26. The Company may from time to time by special resolution reduce its share capital in any manner authorised and with and subject to any incident prescribed or allowed by law.

27. Anything done in pursuance of either of the last two preceding Articles shall be done in manner provided and subject to any conditions imposed by the Statute, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the directors deem most expedient. Whenever on any consolidation members shall be entitled to any fractions of shares the directors may sell all or any of such fractions and shall distribute the net proceeds thereof amongst the members entitled to such fractions in due proportions. In giving effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holders of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the transfer.

Variation of Rights.

the capital of the company is divided into
of shares, the special rights attached to any
to the provisions of any Act, be varied or
l resolution, either with the consent in
ers of three-fourths of the issued shares
th the sanction of an extraordinary resolu-
parate general meeting of such holders (but
may be so varied or abrogated whilst the
concern or in contemplation of a winding up.
ate general meeting all the provisions of
ting to general meetings of the company, or
thereat, shall mutatis mutandis apply, except
quorum shall be two persons at least holding
proxy one-half in nominal amount of the
e class, but so that if at any adjourned
ders a quorum as above defined is not present,
re present shall be a quorum and that any
the class present in person or by proxy
and that such holders shall on a poll have
share of the class held by them respectively.
conferred upon the holders of any shares or
ll not, unless otherwise expressly provided
ue, be deemed to be modified by the creation
shares ranking pari passu therewith.

Borrowing Powers.

tors may exercise all the powers of the
raise or secure money and to mortgage or
ing, property and uncalled capital, and to
d other securities, whether outright or as
for any debt, liability or obligation of
ny third party.



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eral meeting shall be held at such time
r months after the registration of the
rs may determine, and at the City of
New Providence, or at such other place
the Commonwealth as may be prescribed

meetings shall be held once at least in
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of the last preceding general meeting,
within or without the Commonwealth as
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all other meetings of the company shall
meetings".

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value of the subscribed and issued
orthwith proceed to convene an
the company.

tice, specifying the place, day and hour
se of capital business, the general
shall be given in manner hereinafter
entitled thereto; or in such other
prescribed by the company in general
eipt of such notice by any such member
proceedings at any meeting.

35. All business shall be deemed to be special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of sanctioning a dividend and the consideration of the accounts, balance sheet, and the ordinary reports of the directors and auditors.

36. When all the members in person or by proxy sign the minutes of an ordinary or extraordinary meeting, the same shall be deemed to have been duly held, notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing in one or more parts, signed by all the members shall be as valid and effectual as if it had been passed at a meeting of the members duly called and constituted.

Proceedings at General Meetings.

37. A quorum shall consist of members present in person or by proxy hodling or representing a majority in value of the subscribed and issued shares of the company.

38. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. If a quorum is not present within fifteen minutes of the time the meeting proceeds to business, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, it shall be adjourned to such other time and place as the Chairman may determine, not being less than twenty-four hours from the time of the adjourned meeting, and if at the adjourned meeting a quorum is not present within fifteen minutes from the time appointed for the meeting, the members present shall be a quorum.

39. The President or the Vice-President shall preside as Chairman at every general meeting of the comapny. In their absence the members present shall choose some one of their number to be Chairman.

40. The Chairman may, with the consent of the meeting adjourned any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.

41. Every question submitted to a meeting shall be decided, in the first instance, by a show of hands, and in the case of an equality of votes the Chairman shall, both on a show of hands and on a poll, have a casting vote, in addition to the

vote or votes to which he may be entitled as a member.

42. At any general meeting, unless a poll is demanded by the Chairman or by members present in person or by proxy holding one-fourth in value of the subscribed and issued shares of the company, a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majoirty, and an entry to that effect in the books of proceedings of the company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

43. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once, or after an interval or adjournment, or otherwise, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same, and such determination made in good faith shall be final and conclusive.

Votes of Members.

44. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or by proxy shall have one vote, and upon a poll every member present in person or by proxy shall have one vote for every share held by him.

45. Votes may be given either personally or by proxy.

46. The instrument appointing a proxy shall be in writing, under the hand of the appointor or of his attorney. Any person appointed a proxy need not be a member of the company.

47. The instrument appointing a proxy shall be deposited with the Secretary before or at the meeting for which it is to be used, and may be permanent or ad hoc. If a proxy is permanent

it may be recorded with the Secretary.

48. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received before the meeting.

49. An instrument appointing a proxy may be in any form which the directors think fit to approve.

Directors.

50. The directors of the company shall be elected at the first ordinary meeting of the company after registration, and in every subsequent year at the first ordinary meeting of the year. They shall be elected for a year but shall hold office until their successors are duly elected or until the office is vacated as provided by Article 52. The directors shall not be less than two, nor more than seven in number. A director shall not require any qualification by way of holding any shares or other securities of the company.

51. Until directors are elected, the persons hereinafter named shall be deemed to be directors, that is to say:- Richard C. Pistell, Charles Murphy, Ernest Raymond Lawson and Jeremy Carson James Waddell.

52. The office of a director shall ipso facto be vacated:-

(a) if he becomes bankrupt, or suspends payment, or compounds with his creditors;

(b) if he is found lunatic or becomes or unsound mind;

(c) if by notice in writing to the company, he resigns his office;

(d) if he is requested in writing by members holding or representing more than one-half in value of the subscribed and issued shares of the company to vacate his office.

But the continuing directors or sole remaining director may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

53. Any casual vacancy occurring in their body may at any time be filled up by the directors or by the company in general meeting, but any person so chosen shall retain office so long only as the vacating director would have retained the same if no vacancy had occurred.

54. The directors or the company in general meeting shall have power at any time, and from time to time, to appoint any person as a director as an addition to the board, but so that the total number of directors shall not at any time exceed the maximum number fixed as above. But any director so appointed shall hold office only until the next following ordinary general meeting of the company, and shall then be eligible for re-election.

Alternate Directors.

55. Any director may at any time appoint any other director or any other person approved by the directors to be an alternate director of the company, and may at any time remove any alternate director so appointed by him. An alternate director so appointed shall not be entitled to receive any remuneration from the company, nor be required to hold any qualification but shall otherwise be subject to the provisions of these presents with regard to directors. An alternate director shall (subject to his giving to the company an address in the Island of New Providence at which notices may be served upon him) be entitled to receive notices of all meetings of the board, and to attend and vote as a director at any such meeting at which the director

appointing him is not personally present and where he is a director to have a separate vote at meetings of directors on behalf of each director he represents in addition to his own vote, and generally shall be entitled to perform all the functions of his appointor as a director in the absence of such appointor. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director, provided that if any director retires but is re-elected by the meeting at which such retirment took effect any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. All appointments and removals of alternate directors shall be effected by writing under the hand of the director making or revoking such appointment left at the office.

Director or Officer Contracting with Company.

56. No director or officer shall be disqualified by his office from contracting and/or dealing with the company either as vendor, purchaser, or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the company in which any director or officer shall be in any way interest, be avoided, nor shall any director or officer so contracting or being so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director or officer holding that office or the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first meeting of the directors after the acquisition of his interest, and having disclosed his interest as aforesaid such director shall be

entitled to vote as a director and be counted towards the quorum in respect of any contract or arrangement in which he is so interested as aforesaid.

Remuneration of Directors.

57. The directors shall be paid out of the funds of the company by way of remuneration for their services such sums as the company in general meeting may from time to time determine, and such remuneration shall be divided among them in such proportions and manner as the directors may determine, and in default of such determination within the year equally. The directors shall also be paid their travelling expenses (if any) of attending and returning from board and committee meetings.

Proceedings of Directors.

58. The directors may meet together at such place as they may determine for the dispatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, two directors present in person or by their alternates shall be a quorum.

59. The President or any director may at any time convene a meeting of the directors. Any director or alternate who is absent from the Island of New providence shall not during such absence be entitled to notice of any such meeting. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

60. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the company for the time being vested in or exercisable by the directors generally.

61. The President or the Vice-President shall preside at all meetings of the directors. In the absence of the President and the Vice-President the directors present shall choose some one of their number to be Chairman of the meeting.

62. The directors may with the approval of not less than the number of directors as may from time to time constitute a quorum delegate any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part and either as to persons or purposes; but every committee so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors.

63. Each such committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the members present may choose some one of their number to be Chairman of the meeting.

64. Each such committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.

65. All acts done at any meeting of the directors, or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in

office and was qualified and had continued to be a director, and had been entitled to be a director.

66. When all the directors (in person or by their alternates) sign the minutes of a meeting of the directors the same shall be deemed to have been duly held notwithstanding that the directors have not actually come together or that there may have been technical defects in the proceedings. And a resolution in writing, in one or more parts, signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.

Powers of Directors.

67. The management of the business of the company shall be vested in the directors, who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the company and are not hereby or by any Act expressly directed or required to be exercised or done by the company in general meeting, but subject nevertheless to the provisions of any act, and of these presents, and to any regulations from time to time made by the company in general meeting, provided that no regulation so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

Local Management.

68. (1) The directors may, from time to time, provide for the management of the affairs of the company abroad in such manner as they shall think fit, and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.

(2) The directors may, from time to time, and at any time, establish any local boards or agencies for managing any of the affairs of the company abroad, and may appoint any

persons to be members of such local board, or any managers or agents, and may fix their remuneration.

(3) The directors may, from time to time, and at any time delegate to any person so appointed any of the powers, authorities, and discretion for the time being vested in the directors and may authorise the members for the time being of any such local board, or any of them to fill up any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit, and the directors may at any time remove any person so appointed, and may annul or vary any such delegation.

(4) The directors may, at any time and from time to time, by power of attorney under the seal, appoint any person or persons to be the attorney or attorneys of the company for such purposes and which such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these presents), and for such period and subject to such conditions as the directors may from time to time think fit; and any such appointment may (if the directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid, or in favour of any company, or of the members, directors, nominees, or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the directors; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the directors think it.

(5) Any such delegates or attorneys as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

69. The company may exercise the powers conferred by the Companies Seals Act of the Commonwealth.

70. The Directors may comply with the requirements of any foreign law which in their opinion it shall in the interests of the company be necessary or expedient to comply with.

Officers.

71. The officers of the company shall be elected annually by the company or appointed annually by the directors, and shall consist of a President, a Vice-President, a Secretary, a Treasurer, one or more Assistant Secretaries, and one or more Assistant Treasurers, and such other officers as the company or the directors may from time to time think necessary, and such other officers shall perform such duties as may be prescribed by the directors. They shall hold office until their successors are elected or appointed. But any officer may be removed at any time by the company in general meeting or by the directors. If any office becomes vacant during the year the company in general meeting or the directors may fill the same for the unexpired term.

72. Until officers are elected or appointed the persons hereinafter named shall be deemed to be the officers of the company, that is to say:- Richard C. Pistell, President and Treasurer, Ernest Raymond Lawson, Vice-President and Assistant Secretary, Charles Murphy, Secretary and Jeremy Carson James Waddell, Assistant Secretary.

73. Any person may hold more than one of these offices and no officer need be a member of the company.

President.

74. The President shall act as Chairman of all meetings of the members and of the directors. He shall also perform such other duties as may be prescribed by these presents, the company in general meeting, or the directors.

Vice-President.

75. The Vice-President in the absence or disability of the President, may perform the duties and exercise the powers of the President, and shall perform such other duties as may be prescribed by these Articles, the company in general meeting, or the directors.

Treasurer.

76. The Treasurer shall perform such duties as may be prescribed by these Articles, the company in general meeting, or the directors, and if anlwhen directed so to do by the company or the directors, shall keep full and accurate accounts of the receipts and disbursements of the company in books belonging to the company and shall render to the directors at regular meetings of the directors, or whenever they may require it, a statement of the financial condition of the company.

Assistant Treasurers.

77. Any one of the Assistant Treasurers, in the absence or disability of the Treasurer, may perform the duties and exercise the powers of the Treasurer, and each Assistant Treasurer shall perform such other duties as may be prescribed by these presents, the company in general meeting, or the directors.

Secretary.

73. The Secretary shall attend and keep the minutes of the meetings of the members and of the directors. He shall also summon meetings and keep such other books and records of the company and the directors as may be required by the company in general meeting, or the directors, and perform such other duties as may be prescribed by these presents, the company in general meeting, or the directors.

Assistant Secretaries

79. Any one of the Assistant Secretaries, in the absence or disability of the Secretary, may perform the duties and exercise the powers of the Secretary, and each Assistant Secretary shall perform such other duties as may be prescribed by these presents, the company in general meeting, or the directors.

The Seal

80. The directors shall provide for the safe custody of the seal, and the seal shall never be used except by the authority of a resolution of the directors, or of a committee of the directors authorised in that behalf, or a general meeting.

Authentication of Deeds and Documents.

81. All deeds executed on behalf of the company may be in such form and contain such powers, privisos, conditions, covenants, clauses, and agreements as the directors, or the company in general meeting, shall think fit, and, in addition to being sealed with the seal, shall be signed by the President or the Vice-President or such other person as the directors or the company in general meeting shall from time to time appoint, and countersigned by the Secretary or an Assistant Secretary or such other person as the directors or the company in general meeting shall from time to time appoint.

Dividends.

82. Subject to the rights or persons (if any) entitled to shares with special rights as to dividend, the profits of the company which it shall be determined to distribute shall be divisible among the members holding shares in proportion to the capital paid up on such shares held by them respectively.

83. The company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment.

84. No dividend shall be payable except out of the profits of the company.

85. The directors may from time to time pay to the members such interim dividends as in their judgment the position of the company justifies.

86. The directors may deduct from the dividends payable to any member all such sums of money as may be due from him to the company.

87. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

88. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member entitled, or, in the case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

89. Notice of any dividend that may have been declared whether interim or otherwise, shall be given to each member either by advertisement or by notice in manner hereinafter mentioned.

90. No dividend shall bear interest as against the company.

91. Any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or debenture stock of the company or paid-up shares, debentures or debenture stock of any other company, or in any one or more of such ways, and the directors shall give effect to such resolutions; and, where any difficulty arises in regard to the distribution, they may settle the same as they think expedient.

Reserves.

92. The directors may, before recommending any dividend, set aside, out of the profits of the company, such sums as they think proper as a reserve fund to meet contingencies, or for equalising dividends, or for special dividends or bonuses, or for repairing, improving, and maintaining any of the property of the company, and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the company; and may invest the several sums so set aside upon such investments (other than shares of the company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company, and may divide the reserve fund into such special funds as they think fit and employ the reserve fund or any part thereof in the business of the company, and that without being bound to keep the same separate from the other assets.

Capitalisation of Profits and Reserves.

93. The company in general meeting may, upon the recommendation of the directors, resolve that it is desirable to capitalise the whole or any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or the credit of the profit and loss account, or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively, or paying up in full unissued shares or debentures of the company to be allotted and distributed, credited as fully paid up, to and amongst such

members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

94. Whenever such a resolution as aforesaid shall have been passed, the directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit in the case of shares, debentures or securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares, debentures or securities to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

Accounts.

95. The directors shall cause true accounts to be kept of the stock-in-trade of the company, of the sums of money received and expended by the company, and the matters in respect of which such receipt and expenditure take place; and of the assets, credits and liabilities of the company.

96. The books of account shall be kept at one of the offices of the company, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed

by the directors. shall be open to the inspection of the members during hours of business.

97. Once at the least in every year the directors shall, unless waived by a resolution of the members in general meeting, lay before the company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than six months before such meeting.

98. Unless waived by a resolution of the members in general meeting, a balance sheet shall be made out in every year, and laid before the company in general meeting, and such balance sheet shall contain a summary of the property and liabilities of the company.

99. Unless waived by a resolution of the members in general meeting, the directors shall make all necessary arrangements for an annual audit of the books and accounts of the company.

Notices.

100. A notice may be served by the company upon any member either personally or by sending it through the post in a pre-paid envelope addressed to such member at his last known address.

101. The signature to any such notice to be given by the company may be written, typewritten or printed.

102. Any notice, if served by post, shall be deemed to have been served three days after the envelope containing the same was posted; and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and posted, by airmail post if sent overseas.

103. Notice of meetings of members shall be given by the Secretary at least seven days before the date of such meeting.

104. Notice of special meetings shall state the objects for which the meeting is called.

105. Any member or director may waive the right to receive notices by an instrument in writing signed by him before, at or after any meeting.

Indemnity.

106. Every director, manager, auditor, president, vice-president, secretary, treasurer, and other officer or servant of the company shall be indemnified by the company against, and it shall be the duty of the directors out of the funds of the company to pay all costs, losses, and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such director, manager, auditor, present, vice-president, secretary, treasurer, officer or servant as aforesaid, or in any way in the discharge of his duties, including travelling expenses.

IN WITNESS WHEREOF We the Subscribers to the Memorandum of Association have hereunto subscribed our names this 30th day of June , 19 72 .

(Sgd.) A.N. Klonaris

(Sgd.) J.C.J. Waddell

(Sgd.) Evelyn P. Bradley

(Sgd.) Joan L. Thompson

(Sgd.) Mavis Seymour

Signed by the Subscribers to the Memorandum of Association in the presence of:-

(Sgd.) D.C. Thompson

BAHAMA ISLANDS.
Registrar General's Office.
I certify the foregoing to be a true copy of the original deposited in this office.
Sylvia A. Bonaby
Registrar General
6/7/72 Dep

ap

1224A

BAHAMA ISLANDS

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The Companies Act.

Company Limited by Shares.

---

VENCAP LIMITED

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ARTICLES OF ASSOCIATION

---

Incorporated the day

of , 1972.

CARSON, LAWSON & CO.,

Chambers,

309 Bay Street,

Nassau, Bahamas.

29

VENCAP LIMITED

At an Extraordinary General Meeting of the members of the above-named Company held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 31st day of August, A.D., 1972, the sub-joined Ordinary Resolution was duly passed.

On motion duly made and seconded, the following Ordinary Resolution was unanimously agreed to, namely:-

RESOLVED that the capital of the Company be increased to US$3,010,000 divided into 10,000 Ordinary Shares of US$1 each and 30,000 Redeemable Preference Shares of US$100 each by the creation of 5,000 Ordinary Shares ranking in all respects pari passu with the existing Ordinary Shares in the Capital of the Company and 30,000 Redeemable Preference Shares of US$100 each conferring upon the holders thereof the following rights and issued subject to the following provisions:-

(1) The right in a winding-up of the Company to repayment of the capital paid up thereon in priority to the Ordinary Shares but shall not entitle the holders thereof to any further or other participation in the profits or assets of the Company in a winding-up;

(2) The right to receive out of the profits of the Company which it shall be determined to distribute in respect of any fiscal year of the Company to 31st December a fixed non-cumulative dividend at the rate of six per cent per annum on the capital for the time being paid up thereon in priority to any dividend on the Ordinary Shares provided that no dividend shall be payable in respect of any of the said shares which were not issued and fully paid on the first day of such fiscal year;

(3) The right to receive a further non-cumulative dividend if declared in respect of each fiscal year of the Company and in priority to any dividend on the Ordinary Shares in respect of the said fiscal year of an aggregate amount equal, as a class, to one-third of the Residual Earnings of the Company for the said fiscal year.

"Residual Earnings" shall mean for the purposes hereof the net earnings of the Company calculated without regard to any extraordinary items for the said fiscal year, as certified by its auditors, after deduction therefrom of (i) all amounts charged against such net earnings in respect of all taxes, duties or other impositions, (ii) the said 6% dividends provided in paragraph (2) hereof, and (iii) interest, dividends or other distributions paid to the holders of any class of shares or securities of the Company carrying rights to such dividends in priority to the rights of the holders of the said Redeemable Preference Shares. The certificate of the independent firm of public accountants regularly employed by the Company in the audit of its books shall be conclusive and binding upon the Company and the holders of the Redeemable Preference Shares with respect to the amount of the Company's net earnings and the amount of the Residual Earnings.

(4) The said dividends provided in paragraphs (2) and (3) hereof, if declared, shall be declared and paid by the Company within 60 days of the receipt by the Company of its Auditors report and audited balance sheet for each fiscal year of the Company;

(5) The Company at its option may redeem out of any profits or monies of the Company which may lawfully be applied for that purpose all or any of the Redeemable Preference Shares outstanding at any time by paying therefor in cash US$100 per share plus an amount per share, payable in lieu of the dividends provided in paragraphs (2) and (3) hereof, equal to a divided accruing at the rate of six per cent per annum on the capital for the time being paid up in respect of the period commencing on the first day of the fiscal year of the Company in which the redemption occurs and ending on the date of redemption. Notice of redemption specifying the time and place of redemption shall be mailed to the holders of Redeemable Preference Shares whose shares are to be redeemed at their respective addresses as the same may appear on the records of the Company at least fifteen days prior to the date specified therein for redemption. From and after the date specified in any such notice as the redemption date, unless the Company shall fail to provide monies at the time and place specified in such notice for the payment of the redemption price, all rights of the holders thereof as shareholders of the Company, except the right to receive the redemption price, shall cease and terminate. If the Company should at any time determine to redeem a part only of the said Redeemable Preference Shares for the time being outstanding, the shares to be redeemed shall be determined by a drawing to be made by the directors at the Registered Office of the Company or such other place as the directors may determine;

(6) The said Redeemable Preference Shares shall not entitle the holders to receive notice of or attend or vote at any general meeting by virtue of their holdings thereof unless the business of the meeting includes the consideration of a resolution for the sale of the undertaking of the Company or for altering the objects of the Company or for winding-up the Company or any resolution varying or abrogating any of the special rights or privileges attached to the said Redeemable Preference Shares or for the creation of any class of shares or securities of the Company carrying rights as to dividend or in a winding-up of the Company in priority to the said Redeemable Preference Shares in which case they shall only be entitled to vote on any such resolution.

I, Jeremy Carson James Waddell, Assistant Secretary of Vencap Limited, hereby certify that the foregoing is a true copy of an Ordinary Resolution which was duly passed as an Ordinary Resolution at a meeting of the above-named Company held at the Registered Office of the Company, Building No. 300, Bay Street, Nassau, Bahamas on the 31st day of August, A.D., 1972 at which meeting all of the members of the Company for the time being entitled, according to the regulations of the Company, to vote were present in person or by proxy.

IN WITNESS WHEREOF I have hereunto set my hand and the Common Seal of the Company this 31st day of August, A.D., 1972.

SEAL

(Sgd.) J.C.J. Waddell

Assistant Secretary.

BAHAMA ISLANDS.
Registrar General's Office.
I certify the foregoing to be a true copy of the instrument deposited in this office.
Sylvia A Bonaby
4/1/73 Deputy Registrar General

1228A

BAHAMA ISLANDS

New Providence.




I, David Cherril Thompson of the Island of New Providence, Articled Clerk, make oath and say that I was present and saw Anthony Nomikos Klonaris, Attorney-at-Law; Jeremy Carson James Waddell, Solicitor, Evelyn Priscilla Bradley, Clerk, Joan Lynn Thompson, Clerk, and Mavis Edna Seymour, Clerk, all of the said Island of New Providence, sign and deliver the annexed Memorandum of Association dated the 30th day of June 19 72 for the purposes therein mentioned; and that I subscribed my name as the witness to the due execution thereof.

Sworn to this 30th day)
of June 1972) (Sgd.) D.C. Thompson

Before me,

(Sgd.) E.R. Lawson (Seal)

Notary Public.

1229A BAHAMA ISLANDS.

The Companies Act.
Company Limited by Shares.

Stamp Duty $60.00

MEMORANDUM OF ASSOCIATION
OF
VENCAP LIMITED

1. The name of the company is "Conservative Capital Limited".

2. The registered office of the company will be situate in the Island of New Providence one of the Bahama Islands.

3. The objects for which the company is established are:-

(1) To subscribe for, conditionally or unconditionally, to underwrite, issue on commission or otherwise, to assume liability under, acquire by purchase or otherwise, and to hold, either as principals or agents, and absolutely as owners, or by way of collateral security, or otherwise, and to sell, mortgage, pledge, convert, exchange or otherwise dispose of or deal in the stock, shares, bonds, debentures, and other securities or obligations of any government, municipal or other authority, or any industrial, commercial, financial, or other company, and to issue paid up shares or other securities of the company in payment or part payment of the purchase price of any stock, shares, bonds, debentures, or other securities or obligations acquired by the company.

(2) To advance, deposit, or lend money, securities and property, to or with such persons and on such terms as may seem expedient, and to discount buy, sell, and deal in bills, notes, warrants, coupons, and other negotiable or transferable securities or documents.

(3) To carry on business as capitalists, financiers, promoters, concessionaires, contractors, manufacturers, and merchants, and to undertake, and

carry on, and execute all kinds of financial, contracting, manufacturing, trading, and other operations commonly carried on or undertaken by capitalists, financiers, promoters, concessionaires, contractors, manufacturers, and merchants.

(4) To purchase or otherwise acquire, and to hold, sell, exchange, lease, mortgage, pledge, charge, convert, turn to account, dispose of, and deal with property and rights of all kinds, and in particular mortgages, debentures, debenture stock, stock, shares, bonds, patents, concessions, annuities, policies, options, contracts, produce, commodities, bullion, specie, gems, and other minerals, book debts, business concerns and undertakings, and claims, privileges, and choses in action of all kinds.

(5) To purchase, take on lease or in exchange, or otherwise acquire and to hold, sell, lease, exchange or otherwise dispose of, any lands, and buildings in the Bahama Islands or elsewhere, and any estate or interest in, and any rights connected with, any such lands and buildings.

(6) To develop and turn to account any land acquired by or in which the company is interested, and in particular by laying our and preparing the same for building purposes, constructing, altering, fitting up, and improving buildings and by planting, paving, draining, farming, and cultivating the same, and by advancing money to, and entering into contracts and arrangements of all kinds with builders, tenants, and others.

(7) To purchase for investment or resale, and to traffic in land and other property of any tenure and any interest therein, and to make advances upon the security of land or other property, or any interest therein, and to deal in, traffic by way of sale, lease, exchange, or otherwise with land and any other property, whether real or personal, and

generally to carry on the business of real estate agents and dealers in all its branches.

(8) To purchase or otherwise acquire any interest in any patents, brevets d'invention, licences, concessions, and the like, conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem to the company capable of being profitably dealt with, and with a view thereto to enter into and carry into effect all such agreements as may seem expedient, and to use, exercise, develop, grant licences in respect of, or otherwise to turn to account any such patents, brevets d'invention, licences, concessions, and the like, and information, aforesaid.

(9) To grant annuities of all kinds, whether dependent on human life or otherwise and whether perpetual or terminable, immediate or deferred, absolute, contingent or otherwise.

(10) To carry on any kind of manufacture or trade and to buy, sell and deal in goods, wares and merchandise of all kinds.

(11) To carry on a general financial agency, investment and brokerage business, and to act as agents and brokers for the purchase, sale, improvement, and management of any property, estate, business or undertaking.

(12) To act as agents and brokers for any individual, company, firm, or court of law, for the investment, loan, payment, transmission, and collection of money, and to take, receive, hold, transfer, and convey all property, real or personal, which may be granted, conveyed, or committed to this company.

(13) To act as agents or attorneys for the transaction of any business, and the investment and collection of moneys, rents, interests, dividends, mortgages, bonds, bills, notes and other securities.

(14) To carry on a guarantee, trust and agency business, and to give any guarantee for the payment of money or for the performance of any obligation or undertaking whether on behalf of the company or on behalf of any other person or corporation.

(15) To promote, organise, manage, or develop, or to assist in the promotion, organisation, management, or development of any company, syndicate, enterprise, or undertaking.

(16) To carry on any other business which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.

(17) To acquire and undertake the whole or any part or the business, property and liabilities of any person or company carrying on any business which this company is authorised to carry on, or possessed of property suitable for the purposes of this company.

(18) To take, or otherwise acquire, and hold shares in any other company having objects altogether or in part similar to those of this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.

(19) Generally to purchase, take on lease or in exchange, hire, or otherwise acquire, any real and personal property, and any rights or privileges which the company may think necessary or convenient for the purposes of its business, and to construct, maintain, and alter any buildings, or works necessary or convenient for the purposes of the company.

(20) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this company, or for any other purpose which may seem directly or indirectly calculated to benefit this company.

(21) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures, bonds, mortgages, or other securities of any other company having objects altogether or in part similar to those of this company.

(22) To enter into partnership or into any arrangements for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company.

(23) To amalgamate with any other company having objects altogether or in part similar to those of this company.

(24) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges, and concessions which the company may think it desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges, and concessions.

(25) To obtain any provisional Order or Act of the Legislature and to do any other act or thing for enabling the company to carry any of its objects into effect, or for effecting any modification of the company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interests.

(26) To draw, make, accept, indorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(27) To invest and deal with the moneys of the company not immediately required upon such securities and in such manner as may from time to time be determined.

(28) To lend money, either with or without security, generally to such epersons and on such terms as the company may think fit, and in particular to customers and others having dealings with the company and to members, directors and officers of the company, and to guarantee the payment of money and/or the performance of contracts and obligations by any such persons.

(29) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debentures, or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future) including its uncalled capital, and to redeem or pay off such securities.

(30) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with, all or any part of the property or rights of the company.

(31) To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital, or any debentures or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business.

(32) To adopt such means of making known the business of the company as may seem expedient.

(33) To grant pensions, allowances, gratuities and bonuses to directors, ex-directors, officers, ex officers, employees and ex-employees of the company and the dependents and connections of such persons, and to establish and maintain or concur in establishing and maintaining trusts, funds, or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid, their dependents or connections, and to support or subscribe to any charity, funds, or institutions the support of which may in the opinion of the directors be calculated directly or indirectly to benefit the company or its employees, and to institute and maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the company, its officers or employees.

(34) To pay for any rights or property acquired by the company, and to remunerate any person or persons or body or bodies corporate, either by cash payment, transfer of property, or by the allotment of shares, debentures or other securities of the company credited as paid up in full, in part or otherwise.

(35) Generally, to do all such other acts and things as the company may think incidental or conducive to the attainment of the above objects or any of them.

(36) To procure the company to be registered or recognised in any part of the world outside of the Bahama Islands.

(37) To do all or any of the above things in any part of the world, and as principals, agents, constructors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

(38) To distribute any of the property of the company "in specie" among the members.

And it is hereby declared that the word "company" in this clause, except where used in reference to this company, shall be deemed to include any partnership or other body of persons whether corporate or unincorporate, and whether domiciled in the Bahama Islands or elsewhere, and that the objects specified in the different paragraphs of this clause shall, except where otherwise expressed in such paragraphs, be in nowise limited by reference to any other paragraph or the name of the company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.

5. The capital of the company is US$5,000 divided into 5,000 shares of US$1.00 each, with power to divide the shares in the capital for the time being into several classes, and to attach thereto respectively any preferential, deferred, qualified, or special rights, privileges, conditions or restrictions and to modify or deal with in the manner mentioned in Clause 28 of the accompanying Articles of Association but not otherwise, any rights for the time being attached to any class or classes of shares in the company so that Clause 28 of the said Articles shall be deemed to be incorporated herein and have effect accordingly.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

1237A

| Names, Addresses and Descriptions of Subscribers | Number of shares taken by each |
|---|---|
| 1. (Sgd.) Anthony Nomikos Flonaris<br>Nassau, Bahamas,<br>Attorney-at-Law | One share |
| 2. (Sgd.) Jeremy Carson James Waddell<br>Nassau, Bahamas<br>Solicitor | One share |
| 3. (Sgd.) Evelyn Priscilla Bradley<br>Nassau, Bahamas<br>Clerk | One share |
| 4. (Sgd.) Joan Lynn Thompson<br>Nassau, Bahamas<br>Clerk | One share |
| 5. (Sgd.) Mavis Edna Seymour<br>Nassau, Bahamas<br>Clerk | One share |
| | Five shares |

DATED the 30th day of June , 19 72 .

WITNESS to the above signatures:-

(Sgd.) D.C. Thompson

1238A

BAHAMA ISLANDS,
Registrar General's Office.
I certify the foregoing to be a true copy of the original deposited in this office.

Sylvia A. Donaldson
Registrar General

6/7/12 Dep

18

AUG 17

26

1239A

BAHAMA ISLANDS

- - -

The Companies Act.

Company Limited by Shares.

- - -

VENCAP LIMITED

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MEMORANDUM OF ASSOCIATION

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Incorporated the day

of , 1972.

CARSON, LAWSON & CO.,

Chambers,

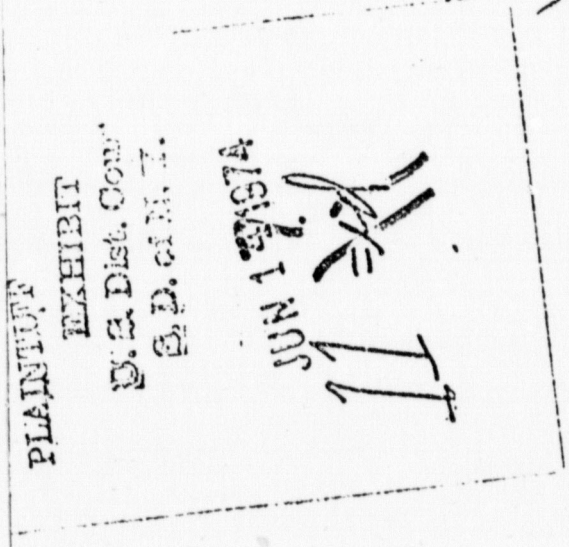
309 Bay Street,

Nassau, Bahamas.

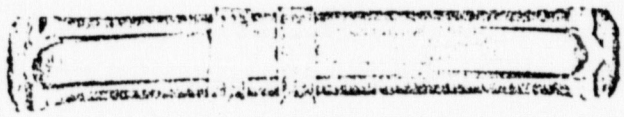
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DIPLOMAT minutes - 9555/5
VENCAP LIMITED

**Plaintiffs' Exhibit 11**



1241A



CONSENT

VENCAP LIMITED, the sole stockholder of Intervent, Inc. (the "Company"), hereby consents to the Company's proposal that a loan in the amount of $55,000 be made to the President of the Company upon condition that if the loan is not repaid on or prior to December 31, 1974, the President shall grant to the Company or its designee a mortgage on his residence in Nassau, Bahamas equal to the amount due, and an option to purchase said residence at the President's cost therefor, all as more specifically set forth in the proposed letter agreement attached hereto.

VENCAP LIMITED

By Walter Brandt
Executive Vice President

1242A

PROMISSORY NOTE

US$55,000

FOR VALUE RECEIVED, the undersigned RICHARD C. PISTELL, hereby promises to pay to the order of INTERVENT, INC. 303 Wall Towers West, Midland, Texas ("Intervent), at the offices of Intervent in Nassau, Bahamas, the principal sum of Fifty Five Thousand U.S. Dollars (US$55,000) upon demand, with accrued interest computed at the rate of 8% per annum from the date hereof until the principal hereof has been declared and payable, and thereafter at the same rate per annum on any overdue principal and (to the extent legally enforceable) on any overdue interest until paid.

All such amounts are to be paid in lawful money of the United States of America.

The undersigned hereby waives presentment, demand, notice of dishonor and all other demands whatsoever and notices relating to the payment, collection or enforcement of this Note.

_____

Richard C. Pistell

1243A

INTERVENT INC.
303 Wall Towers West
Midland, Texas

December , 1973

Mr. Richard C Pistell
Lyford Cay CLub
Nassau, Bahamas

Dear Mr. Pistell:

This letter will serve to confirm our understanding as follows:

The Company will lend you $55,000 subject to the following terms and conditions:

1. You are to execute a demand note in the form attached hereto.

2. If the loan is not repaid on or prior to December 31, 1974, you will grant to the Company or its designee a mortgage on your residence in Nassau, Bahamas, in an amount equal to the unpaid balance of the loan and an option (in the for annexed hereto) to purchase said residence from you at your original cost therefor.

3. Your demand note may be transferred or assigned by the Company or discounted at any bank.

Very truly yours,

INTERVENT INC.

By_____
President

AGREED:

_____
Richard C. Pistell

1244A

OPTION AGREEMENT dated December , 1973, between INTERVENT INC. (the "Company") and R. C. Pistell ("Employee"), President of the Company.

WHEREAS, the Employee needs to make certain improvements in his residence in Nassau, Bahamas, which residence is used by the Company and its parent company as an office of the Company and of its parent company; and

WHEREAS, the Company desires to assist the Employee, who is serving the Company without compensation, in making such improvements in the office-residence.

NOW, THEREFORE, it is hereby agreed between the Company and Employee as follows:

In consideration of a loan in the amount of $55,000 to be made to the Employee, the Employee, subject to Paragraph 3 hereof, hereby grants an option to the Company to purchase his residence at the Lyford Cay Club, Nassau, Bahamas ("Residence") on the following terms and conditions:

1. In the event of the termination of the Employee's employment by the Company and its parent, Vencap Limited, other than by reason of the Employee's death, the Company shall have the right to purchase the Residence at the Employee's cost therefor (which shall be his original cost plus all amounts heretofore and hereafter expended for improvements on the Residence). The option may be exercised by the Company by giving thirty (30) days notice of the election to purchase the Residence and by tender to the Employee within sixty (60) days after such notice of certified or cashier's check in the amount of the purchase price therefor.

[illegible] that share Certificate No. 8 [illegible]

2. In the event of the Employee's death while he is employed by the Company or its parent, the Company shall advise the Employee's widow regarding the terms hereof and she shall have the right to occupy the Residence during her lifetime so long as payments of any mortgage on the Residence are paid by her. In the event that she does not elect to reside in the Residence after the Employee's death, she (or the Employee's executor) shall have the right to offer the Residence for sale and the Company shall have then the right to purchase the Residence for an amount equal to that offered by any unrelated third party during a period of thirty (30) days following the Company's receipt of notice of such offer.

3. This Agreement shall only become effective in the event that the Employee fails to pay the demand note evidencing his indebtedness to the Company on or prior to December 31, 1974. If the full amount due thereon is paid on or prior to December 31, 1974, this Agreement shall terminate automatically on the date on which the loan is paid in full.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in Nassau, Bahamas as of the day first above written.

INTERVENT INC.

By_____
President

_____
Richard C. Pistell

1246A

VENCAP LIMITED

Minutes of a meeting of the Executive Committee of the Company held at the Lyford Cay Club, Nassau, Bahamas, on the 31st day of October 1973 at 2:00 p.m.

Present:

R. C. Pistell

W. Blackman

Mr. R. C. Pistell acted as Chairman and Mr. Blackman acted as Secretary of the meeting.

The Chairman informed the meeting that there was an attractive oil and gas investment which he proposed be made as soon as possible. Agreements prepared by counsel were presented, and it was unanimously

RESOLVED, that the agreements (copies of which are annexed hereto) be approved and that the President be and hereby is authorized to execute such agreements and all other documents which may be required to consummate the propsed investment; and further

RESOLVED, that the Company on the advice of counsel establish a wholly owned U.S. Delaware subsidiary to be called "Intervent, Inc."; and further

RESOLVED, that the Company invest $200,000 as capital of the Company and that a banking loan be arranged for the balance of the required investment.

Richard C. Pistell
Chairman

Secretary

concluded between

1247A

VENCAP LIMITED as lender
-hereafter called Depositor-

and the

HANDELSKREDIT-BANK A.G., Zurich, as trustee
-hereafter called Bank-

---

1. The Depositor places in a trust-account to be opened by the Bank in its name the amount of US$715,000.-- (seven hundred and fifteen thousand US dollars) with instructions to grant a loan in the Bank's name, but for account and at the exclusive risk and peril of the Depositor to:

| | |
|---|---|
| Name of borrower: | Intercapital N.V., Curacao |
| Loan amount: | US$700,000.-- (seven hundred thousand US dollars) |
| Interest rate: | 9% p.a. subject to annual revision |
| Interest payable date: | November 15th |
| Duration of loan/ Period of Notice: | 5 years 3 months or less by mutual agreement |
| Further conditions: | subject to attached Pledge Agreement between Intercapital N.V. and the Bank |

2. The interest due on the loan as per paragraph 1 will be credited in full to the Depositor's above-mentioned account. Upon the Bank's receipt of the interest payment from Intercapital N.V. and after deduction of the trusteeship-commission, the Depositor is entitled to dispose of the remaining interest amount.

3. The Depositor agrees to pay to the Bank a trusteeship-commission equal to US$12,000.-- (twelve thousand US dollars) flat for the first year, thereafter 0.75% p.a. of the principal amount then outstanding. Any and all commissions will be reduced pro-rata in the event of pre-payment of the loan, except that the commission for the first year will not be less then US$6,000. In addition the Depositor shall pay expenses of US$3,000. This commission is payable whether or not interest on the principal amount has been paid by Intercapital N.V., and is due and payable upon receipt of the annual interest payment.

ate:

| the Depositor: | the Trustee: |
|---|---|
| VENCAP LIMITED | HANDELSKREDIT-BANK A.G. |

1248A

PLEDGE AGREEMENT

PLEDGE AGREEMENT as of November 15, 1973, between VENCAP LIMITED, Nassau, Bahamas, ("Ven-Cap"), and INTERCAPITAL N.V. Kerkstraat 8-B, Curacao, Netherlands Antilles ("Intercapital").

WHEREAS Intercapital is lending Intervent, Inc. a corporation organized under the laws of the State of Delaware, United States of America, ("Intervent"), Seven Hundred Thousand U.S. Dollars (U.S.$700,000), evidenced by a promissory note of Intervent (the "Note") for such amount; and

WHEREAS Ven-Cap is the owner of all of the authorized shares of Intervent; and

WHEREAS to induce Intercapital to make such loan Ven-Cap has agreed to pledge the shares of Intervent which it owns with Intercapital as security for the repayment of such loan.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. Pledge. Ven-Cap hereby pledges and assigns to Intercapital 1,000 shares of the common stock of Intervent (the "Pledged Shares").

2. Security for Note. This Agreement is made and the Pledged Shares, assigned and pledged to secure the payment of the Note.

3. Dividends. During the term of this Agreement, and so long as Ven-Cap is not in default in the performance of any terms of this Agreement or in the payment of the principal or interest of the Note, all dividends paid on the Pledged Shares shall accrue to Ven-Cap or its designee.

4. Voting Rights. During the term of this Agreement and so long as Ven-Cap is not in default in the performance of any terms of this Agreement or in the payment of the principal or interest of the Note, all voting rights attached to the ownership of the Pledged Shares shall accrue to Ven-Cap or its designee.

5. Default. If Ven-Cap defaults in the performance of any of the terms of this Agreement or in the payment at maturity of the principal or interest of the Note, Intercapital shall have the right to sell, assign and deliver the whole or, from time to time, any part of the Pledged Shares, or any interest in any part thereof, at any private sale or at public auction for cash, on credit or for other property, and for such price or prices and on such terms as Intercapital may determine. Intercapital shall give Ven-Cap fifteen (15) days prior notice of the time and place of such sale. At any time up to 24 hours prior to the time of such proposed sale, Ven-Cap shall be entitled to redeem the Pledged Shares, provided that in the event of any such redemption, Ven-Cap shall reimburse Intercapital for all costs and expenses incurred

in connection with the redemption or the proposed sale. At any such sale Intercapital may bid for and purchase the whole or any part of the Pledged Shares so sold free from any right or equity of redemption. Intercapital shall apply the proceeds of any such sale, together with any other moneys at the time held by it hereunder, to the payment of the costs and expenses of such sale and then to the payment of the principal and interest due on the Note and shall pay any balance of such proceeds to Ven-Cap. In the event that the proceeds of any sale are insufficient to cover the principal and interest of the Note plus expenses of such sale, Ven-Cap shall remain liable to Intercapital for any deficiency.

6. Termination. Upon payment in full of the principal and interest on the Note, this Agreement shall terminate and Intercapital shall return and assign to Ven-Cap all of the Pledged Shares as have not theretofore been sold or otherwise applied pursuant to the provisions of this Agreement.

7. All notices and other communications hereunder shall be in writing and shall be mailed by registered or certified airmail, postage prepaid, addressed

a) if to Intercapital N.V., at
Kerkstraat 8-B
Curacao, Netherlands Antilles
(Attn. Dr. J. A. Schiltkamp)

b) if to Ven-Cap, Ltd., at
P. O. Box N-7776
Nassau, Bahamas

c) or to either party at such other address as such party from time to time may have designated by written notice to the other.

8. Assignment. This Pledge Agreement, and the Pledged Shares, may be assigned to a bank or lending institution.

9. Applicable Law. This Pledge Agreement, and the interpretation and performance thereof, shall be governed by the laws of the Bahamas.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first above written.

INTERCAPITAL N.V.

By _____

VENCAP LIMITED

By _____

Minutes of a meeting of the Directors of the Company held at 309 Bay Street, Nassau, Bahamas on the 21st day of May, 1973, at

The following Directors were present, namely: -

Richard C. Pistell

Walter Blackman

Jeremy Carson James Waddell

Ernest Raymond Lawson

Mr. Richard C. Pistell, the President of the Company, took the Chair and Mr. J.C.J. Waddell acted as Secretary of the meeting.

The Chairman informed the meeting that agreements had been prepared by counsel for the Company whereby Mr. Blackman would become Executive Vice President at a salary of $20,000 per annum and a stockholder of the Company.

On motion duly made and seconded it was resolved, with Mr. Blackman abstaining, that the proposed agreements between Mr. Blackman and the Company (copies of which are annexed to the minutes of the meeting) be and they hereby are authorized and approved and that the President of the Company is hereby authorized to execute and deliver said agreements to Mr. Blackman on behalf of the Company.

The Chairman informed the meeting that Exchange Control approval for the transfer of 2,000 shares to Walter Blackman had been obtained and a copy of such approval was ordered filed with the minutes of the meeting. On motion duly made and seconded, it was unanimously resolved that share Certificate No. 7 be cancelled and that share Certificate No. 8 representing 2,000 shares of the Company be issued to Walter Blackman.

On motion duly made and seconded, it was then resolved, with Mr. Blackman abstaining, that Walter Blackman be and he hereby is

elected Executive Vice President and Secretary of the Company to hold such offices at the pleasure of the Board of Directors until the next annual meeting of stockholders. 1253A

The Chairman then recommended that an Executive Committee be established and, upon motion duly made and seconded, it was unanimously resolved that Richard C. Pistell and Walter Blackman be and they hereby are appointed members of the Executive Committee, which Committee shall have and exercise all powers of the Board of Directors between regular meetings of the Board.

The Chairman then stated that it would be in order to adopt certain technical resolutions, copies of which are annexed to the minutes, relating to Dominick & Dominick and the Bank of Nova Scotia and said resolutions were then adopted unanimously.

Mr. Blackman then advised the meeting that counsel for the Company had prepared an employment agreement for Mr. Pistell. He also stated that a letter agreement, relating to a fee which had been paid to the Company but to which Mr. Pistell was personally entitled, had also been prepared by counsel. Following discussion of the terms of the proposed agreements, upon motion duly made and seconded, with Mr. Pistell abstaining, it was resolved that the proposed agreements between Mr. Pistell and the Company (copies of which are annexed to the minutes of the Meeting) are hereby authorized and approved and that the Executive Vice President be and he hereby is authorized to execute and deliver said agreements to Mr. Pistell on behalf of the Company.

The Chairman then stated that there was an attractive opportunity to provide financing for Conservative Capital and that the Company could obtain a very valuabe option from that Company. The Chairman then presented a proposed option agreement with Conservative Capital Limited. Following discussion of the terms thereof it was unanimously resolved that the proposed option agreement between the Company and Conservative Capital Limited (a copy of which is annexed to the minutes of the meeting) be and hereby is authorized and approved,

1254A

and that officers of the Company be and are hereby authorized to execute on behalf of the Company the proposed option agreement and all other documents which may be required or necessary in the opinion of counsel in connection with the proposed transaction.

The Chairman then reported to the Board regarding a proposed loan in the amount of $150,000 to be made to Turk's Caicos Airlines Limited. Upon motion duly made and seconded, it was then unanimously resolved that the President is hereby authorized to enter into a loan agreement with Turk's Caicos Airlines Limited pursuant to which the Company may lend that Airlines up to $150,000 on such terms and conditions as he, with the advice of counsel, may deem proper and that the President is further authorized to execute all documents which may be required or necessary in order to complete the proposed transaction.

On motion the meeting adjourned.

Chairman

Assistant Secretary

# EMPLOYMENT AGREEMENT

AGREEMENT made this day of , 1973, by and between VENCAP LIMITED, a company organized and existing under the laws of the Commonwealth of the Bahama Islands (hereinafter referred to as the "Employer"), and WALTER BLACKMAN (hereinafter referred to as the "Employee").

W I T N E S S E T H:

WHEREAS, the Employer has requested that the Employee become the Executive Vice President of the Employer; and

WHEREAS, the Employee desires to confirm his employment arrangements with the Employer in writing as a condition to his becoming the Executive Vice President of the Employer;

NOW, THEREFORE, in consideration of the promises and undertakings herein contained, the parties do agree as follows:

1. Employment and Duties. The Employer agrees to employ the Employee for the term of the Agreement, as defined

in Paragraph 2 hereof, as Executive Vice President, to perform the functions and to exercise the powers of such position or such other executive functions and powers as may reasonably be assigned to him from time to time by the Board of Directors of the Employer, and the Employee agrees to accept such employment on the terms and conditions set forth in this Agreement.

2. Term. Except in the case of earlier termination as hereinafter specifically provided, the term of this Agreement shall commence on the date hereof and shall terminate five (5) years thereafter, or on the date of the Employee's death, whichever is sooner.

3. Compensation. The Employer agrees to pay the Employee for the services rendered by him pursuant to Paragraph 1 hereof a salary in the amount of Twenty Thousand ($20,000) Dollars per annum, payable in equal monthly installments at the end of each calendar month during the Agreement.

4. Expenses. The Employee shall be reimbursed for those reasonable and necessary expenses incurred personally by him in rendering services pursuant to Paragraph 1 upon presentation to the Employer by the Employee of appropriate vouchers evidencing such expenses or statements signed by him itemizing

the expenses which he so incurred.

5. Death. In the event of the Employee's death during the term of this Agreement the obligation of the Employer to pay the Employee compensation under Paragraph 3 hereof shall terminate upon payment of the installments of salary due for the calendar month in which the date of his death occurs.

6. Disability. If during the term of this Agreement the Employee shall for a period of six (6) consecutive months fail to perform the duties required of him hereunder as a result of illness or other incapacity, the Employer shall be obligated to pay to the Employee the compensation due him for such period but may terminate this Agreement in its entirety by written notice to the Employee by the close of the last day of such period.

7. Restrictions. The Employee agrees that during the term of this Agreement or at any time thereafter, he will not, either directly or indirectly, divulge to anyone other than a person specifically designated for this purpose by the Employer any confidential information obtained by him while in the employ of the Employer.

8. Termination. The Employer may terminate the Employee's employment hereunder by written notice to

him and, if for any reason other than for just cause, by payment of the balance due him of the compensation provided in Paragraph 3 for the remainder of the term of this Agreement. The Employee may terminate this Agreement at any time by written notice to the Employer, and the Employer's liability hereunder shall terminate at the end of the month in which such notice is received.

In the event that the Employer elects to terminate this Agreement and the Employee or his legal representative contests the Employer's termination for cause or sues for payment under this paragraph and is sustained by a final decision, including any appeals thereof, of a court of law before which such issue has been tried, the Employer agrees to reimburse the Employee or his legal representative for all reasonable expenses, including legal fees, incurred by him or his legal representative in connection with such contest or lawsuit, in addition to paying the Employee the compensation due him under such final decision.

9. Applicable Law. This Agreement and the interpretation and performance of all of its terms shall be controlled exclusively by the laws of the Commonwealth of the Bahama Islands.

10. Notice. Any notice provided to be given

pursuant to this Agreement shall be in writing and shall be deemed duly given when mailed by certified or registered mail to the party to receive such notice at the following address, or at such other address as such party may designate by notice similarly given:

To the Employer:
P.O. Box N 4645
Nassau, Bahamas

To the Employee:
P.O. Box F2413
Sun Alliance Building
Freeport, Grand Bahama

IN WITNESS WHEREOF, the Employer has caused this Agreement to be executed by its corporate officers thereunto duly authorized, and its corporate seal to be affixed thereto, and the Employee has executed this Agreement, all as of the day and year first above written.

ATTEST: VENCAP LIMITED

_____ By _____
President

WITNESS:

_____ _____
Walter Blackman

1260A

VENCAP LIMITED
P. O. BOX N-7776
NASSAU, BAHAMAS

TELEPHONE
74363

May , 1973

Mr. Richard C. Pistell
Lytord Cay Club
Nassau, Bahamas

Dear Mr. Pistell:

This letter will serve to confirm our agreement with respect to the fee of $150,000 which was paid into the Company to facilitate the organization and initial funding of the company.

1. The Company will pay to you $100,000, which was the net amount of the fee to which you were personally entitled.

2. You will hold the Company harmless from any liability to third parties which may be asserted against the Company for brokerage or finder's fees in connection with the transaction resulting in the payment of the fee to the Company.

Please acknowledge your agreement in the space indicated below.

Very truly yours,

AGREED & ACCEPTED: VENCAP LIMITED

_____ By: _____
Richard C. Pistell Executive Vice President

1261A

# OPTION AGREEMENT

OPTION AGREEMENT entered into this 22nd day of May, 1973, by and between VENCAP LIMITED, a company organized and existing under the laws of the Commonwealth of the Bahama Islands (hereinafter referred to as the "Company"), and CONSERVATIVE CAPITAL LIMITED, a company organized and existing under the laws of the Commonwealth of the Bahama Islands (hereinafter referred to as "Conservative Capital").

## W I T N E S S E T H:

WHEREAS, Conservative Capital would like to obtain assistance in financing its activities, and Vencap is prepared to provide such assistance; and

WHEREAS, Conservative Capital is willing to grant to Vencap an option or warrant with respect to its shares, subject to the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the promises and undertakings herein contained, the parties hereby agree as follows:

1. The Company will use its best efforts to assist Conservative Capital in obtaining financing required by Conservative Capital. Without limitation of the foregoing, (a) the Company will cause a loan in the amount of US$75,000 to be made to Conservative Capital on or prior to August 1,

1973 by a bank or lending institution or will itself lend said amount to Conservative Capital, if necessary; and (b) Vencap will cause an additional loan of US$75,000 to be made to Conservative Capital on or prior to August 1, 1974 by a bank or lending institution.

In case either of the aforesaid loans is made initially by the Company, the Company shall have the right at any time to transfer or assign the loan to any bank or lending institution designated by the Company.

2. Conservative Capital agrees to grant to the Company or any bank or lending institution designated by the Company an option to purchase shares of Chibex Mining Corporation ("Chibex") subject to the following general terms and conditions: (a) If the initial loan of $75,000 is made by August 1, 1973, Conservative Capital will grant a three-year option to purchase up to 75,000 Chibex shares at a purchase price of $1.00 per share; (b) if the second loan of $75,000 is made by August 1, 1974, an additional three-year option to purchase 75,000 additional Chibex shares at a purchase price of $1.50 per share will be granted to Intercapital by the Company.

3. The Company will, if requested by Conservative Capital, arrange for similar loans to be made in subsequent years upon terms and conditions to be agreed upon at the time.

4. Conservative Capital will grant a separate transferable option each time a loan is made pursuant to this Option Agreement.

5. This Option Agreement and the interpretation and performance thereof shall be controlled exclusively by the laws of the Commonwealth of the Bahma Islands.

6. Any notice provided to be given pursuant to this Option Agreement shall be in writing and shall be deemed duly given when mailed by certified or registered mail to the party to receive such notice at the following address, or at such other address as such party may designate by notice similarly given:

CONSERVATIVE CAPITAL LIMITED
Lyford Cay Club
P. O. Box N-4776
Nassau, Bahamas

VENCAP LIMITED
P. O. Box N-4645
Nassau, Bahamas

IN WITNESS WHEREOF, the parties hereto have caused this Option Agreement to be executed by their corporate officers hereto duly authorized and their corporate seal to be affixed thereto, and the parties have executed this Option Agreement, all as of the day and year first above written:

VENCAP LIMITED

ATTEST:

By_____
Executive Vice President

_____
Assistant Secretary

CONSERVATIVE CAPITAL LIMITED

ATTEST:

_____
Assistant Secretary

By_____
President

AGREEMENT entered into in Nassau, Bahamas this 26th day of March, 1973, by and between VENCAP LIMITED, a Bahamian Corporation, having an office at 309 Bay Street, Nassau, Bahamas (hereinafter called the "Company"), and RICHARD C. PISTELL, President of the Company, residing at Lyford Cay Club, Nassau, Bahamas (hereinafter called "Pistell")

WHEREAS, Pistell has entered into a Pledge Agreement, dated February 1, 1973, with Intercapital N.V. ("Intercapital") with respect to certain shares of Pomaikai Oil Corporation ("Pomaikai") owned by Pistell;

WHEREAS, Pistell offered in connection with the transaction referred to in said Pledge Agreement to grant an option to the Company to purchase up to one-tenth of the total number of Pomaikai shares owned by him, and the Company desires to accept such offer.

NOW, THEREFORE, it is hereby agreed between Pistell and the Company as follows:

1. Pistell hereby grants to the Company the irrevocable right, exercisable by the Company at any time prior to February 1, 1976, to acquire from Pistell upto an aggregate of 6,625 of the Pomaikai shares owned by Pistell or the equivalent number of shares of Flag-Redfern Oil Company ("Flag-Redfern") which are to be issued to Pistell by reason of the merger of Pomaikai into Flag-Redfern (such shares or any shares into which such shares may hereafter be converted are hereinafter referred to as the "Optioned Shares").

2. The purchase price per share for the Optioned Shares shall be $3.77 per Pomaikai share (or $11.95 per share of Flag-Redfern).

3. The aforesaid option shall be exercisable by the Company at

any time and from time to time during the period commencing on February 1, 1973 and ending three years thereafter by the Company giving not less than sixty (60) days prior written notice to Pistell of such purchase by the Company which notice shall also set forth the number of Optioned Shares to be acquired by the Company at that time, the date on which the Company intends to make such acquisition, and the proposed plan of such acquisition.

4. The Company hereby acknowledges that Pistell has informed the Company that all of the Pomaikai shares owned by Pistell have been pledged by Pistell as security for a loan obtained by Pistell from Intercapital, and agrees that the actual exercise of the option contained herein is subject to the terms and conditions of the Pledge Agreement, dated February 1, 1973, between Pistell and Intercapital (the "Intercapital Pledge Agreement"). In the event that the Company shall give notice of its intention to exercise its option with respect to all or any part of the Optioned Shares, the Company, if requested, shall make such reasonable adjustments in its proposed plan of acquisition as may be required by Intercapital in order to permit the release by Intercapital (or any bank or financial institution to which the Optioned Shares have been assigned by Intercapital) of the number of Pomaikai or Flag-Redfern Shares specified in the Company's notice. Pistell agrees to use his best efforts to effect prompt release of such shares as soon as possible after receipt of the Company's notice.

5. In the event that Pistell shall receive notice of default from Intercapital pursuant to paragraph 5 of the Intercapital Pledge Agreement, Pistell shall immediately deliver a copy of

of such notice to the Company, and Pistell will, if requested by the Company, take all steps which may reasonably be requested by the Company in order to protect the Company's rights hereunder. Without limitation of the foregoing, Pistell shall, if requested by the Company, exercise his right to redeem the Optioned Shares from Intercapital with funds to be provided for this purpose by the Company.

6. This Agreement and the performance thereof shall be interpreted in accordance with, and shall be governed by, the laws of the Bahamas.

IN WITNESS WHEREOF, the parties have executed this Agreement in Nassau, Bahamas as of the day first above written.

VENCAP LIMITED

By _____

_____
Richard C. Pistell

1267A

VENCAP LIMITED

I, JEREMY CARSON JAMES WADDELL, Assistant Secretary of Vencap Limited HEREBY CERTIFY that the following are the duly elected Directors and Officers of Vencap Limited pursuant to resolutions duly passed at a meeting of the Board of Directors held at Nassau, Bahamas on the Twenty-first day of May, 1973:-

Richard C. Pistell, Chairman of the Board, President, Treasurer and Director

Walter Blackman, Vice-President, Secretary and Director

Ernest Raymond Lawson, Assistant Secretary and Director

Jeremy Carson James Waddell, Assistant Secretary and Director

David G. Taylor, Assistant Secretary

IN WITNESS WHEREOF I have hereunto set my hand and the Common Seal of the Company this Seventeenth day of July, 1973.

_____

Assistant Secretary

VENCAP LIMITED

Minutes of a meeting of the Directors of the Company held at 309 Bay Street, Nassau, Bahamas on the 17th day of March, 1973 at 3:00 p.m.

The following Directors were present, namely:-

Richard C. Pistell

Jeremy Carson James Waddell

Ernest Raymond Lawson

Mr. Richard C. Pistell, the President of the Company took the Chair and Mr. J.C.J. Waddell acted as Secretary of the meeting.

The Chairman informed the meeting that he had held discussions with Walter Blackman regarding the proposed association of Mr. Blackman with the Company and than an agreement in principle had been reached. He stated that Mr. Blackman would become Executive Vice President at a salary of $20,000 per annum and that Mr. Blackman would become a stockholder of the Company. Mr. Blackman,who would also serve as Secretary of the Company without additional compensation, would be employed for an initial period of five (5) years and the proposed agreement would provide an incentive for him to continue to be employed beyond the five-year period. The Chairman stated that agreements to the foregoing effect would be prepared by counsel for the Company and that Exchange Control approval for the transaction would be sought.

On motion duly made and seconded, it was then unanimously resolved that Walter Blackman be and hereby is elected a director of the Company to serve until the next annual meeting of Stockholders of the Company.

1269A

The Chairman then stated that it would be necessary to adopt certain standard resolutions required by a brokerage firm in connection with the sale of stock and such resolutions then were adopted and any officer was authorized to certify and deliver same in accordance with the general authorization therefor passed at a prior meeting.

Richard P. Pacey

Chairman

S. S. Woodard

Assistant Secretary

VENCAP LIMITED 1270A

Resolution of the Directors pursuant to Article 66 of the Articles of Association.

- - - - - - - -

RESOLVED that the following officers of the Company or any one of them, are duly authorised to execute and deliver any and all agreements, promissory notes, or other documents which may be required by Handelskredit Bank AG or any party designated by it (the 'Bank') in connection with a loan to be made by the bank to Intercapital N.V. in an amount which does not exceed the amount of funds of the Company currently on deposit with the Bank.

Richard C. Pistell,
President & Treasurer

E. Raymond Lawson,
Vice-President

David G. Taylor,
Assistant Secretary

J. C. J. Waddell,
Assistant Secretary

DATED the 19th day of January, A.D., 1973.

Director

Director

Director

Director

# TRUST - AGREEMENT

concluded between

VENCAP LIMITED as lender
-hereafter called Depositor-

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and the

HANDELSKREDIT-BANK A.G., Zurich, as trustee
-hereafter called Bank-

---

1. The Depositor places in a trust-account to be opened by the Bank in its name the amount of US$ 590'000.-- with instructions to grant a loan in the Bank's name, but for account and at the exclusive risk and peril of the Depositor to:

| | |
|---|---|
| Name of borrower: | Intercapital N.V., Curaçao |
| Interest rate: | 8.5% per annum |
| Interest payable date: | annually on December 31st in each year |
| Duration of loan/ period of notice: | as of February 1, 1973, until December 31, 1975 |
| Further conditions: | subject to attached Pledge Agreement between Intercapital N.V. and the Bank |

2. The interest due on the loan as per § 1. will be credited in full to the Depositor's above-mentioned account. Upon the Bank's receipt of the interest payment from Intercapital N.V. and after deduction of the trusteeship-commission, the Depositor is entitled to dispose of the remaining interest amount.

3. The Depositor agrees to pay to the Bank a trusteeship-commission equal to 1.5% per annum of the aforesaid principal amount (i.e. US$ 590'000.--). This commission is payable whether or not interest on the principal amount has been paid by Intercapital N.V., and is due and payable upon receipt of the annual interest payment.

Zurich, February 1, 1973

the Depositor:
VENCAP LIMITED

By ... President

the trustee:
HANDELSKREDIT-BANK A.G.

VENCAP LIMITED

. 1272A

A meeting of the Directors of the above-named Company was held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 29th day of August, A.D., 1972 at 10.00 o'clock in the forenoon.

The following Directors were present, namely:-

Richard C. Pistell,

Ernest Raymond Lawson, and

Jeremy Carson James Waddell.

On motion, Mr. Richard C. Pistell, the President of the Company, took the Chair and Mr. Jeremy Carson James Waddell acted as Secretary of the meeting.

The Chairman informed the meeting that Mr. Charles Murphy the other Director of the Company was absent from the Commonwealth.

The minutes of the First Meeting of the Directors held on the 31st day of July, A.D., 1972 were read and confirmed.

On motion duly made and seconded, the following resolutions were unanimously agreed to, namely:-

RESOLVED that the Company raise the sum of US$3,000,000 by the creation and issue of US$3,000,000 par value Redeemable Preference Shares carrying the respective rights set out in the resolution proposed to be passed at an Extraordinary General Meeting of the Company held as of today's date and that an Extraordinary General Meeting of the Company be convened for the purpose of passing such resolution.

RESOLVED FURTHER that the Company purchase from International Investment Trust, a Luxembourg company, all the issued shares comprising 1,700,000 shares of US$1 each in International Re-insurance Company Limited, a Canadian corporation, for a consideration comprising US$700,000 in cash, US$650,000 payable by a 7% Note of the Company due five years from issue with interest payable half-yearly in arrear, and a further note in the sum of US$1,100,000, free of interest and payable only if and when IOS Limited shall repay in full its Note of the same amount to International Re-insurance Company Limited AND RESOLVED FURTHER that the President of the Company be authorised to execute on behalf of the Company a letter agreement on behalf of the Company in the form of the copy annexed hereto and to execute an Agreement in the above terms with International Investment Trust subject to such additions and deletions as he shall consider in the best interest of the Company.

RESOLVED FURTHER that the Company issue to the subscribers of the US$3,000,000 Redeemable Preference Shares warrants in the form of the copy annexed to subscribe further Redeemable Preference Shares ranking pari passu with the shares to be subscribed in proportion to their subscription of such shares, within a period of three years from the date of such subscription.

On motion, the meeting adjourned.

Chairman.

Assistant Secretary.

VENCAP LIMITED

1274A

The First meeting of the Directors of the above-named Company was held at the Registered Office of the Company, Building No. 309, Bay Street, Nassau, Bahamas on the 31st day of July, A.D., 1972 at 10.00 o'clock in the forenoon.

The following Directors were present, namely:-

Richard C. Pistell,

Ernest Raymond Lawson, and

Jeremy Carson James Waddell.

On motion, Mr. Richard C. Pistell, the President of the Company, took the Chair and Mr. Jeremy Carson James Waddell acted as Secretary of the meeting.

The Chairman informed the meeting that Mr. Charles Murphy the other Director of the Company was absent from the Commonwealth.

On motion duly made and seconded, it was unanimously resolved that the signing and sealing of all share certificates issued by the Company to this date by the President of the Company in the presence of the Secretary of the Company be and the same is hereby approved, ratified and confirmed.

On motion duly made and seconded, it was unanimously resolved that all share certificates to be issued hereafter by the Company be signed and sealed on behalf of the Company by the President or the Vice-President of the Company and counter-signed by the Secretary or the Assistant Secretary of the Company.

On motion duly made and seconded, it was resolved that the Company open an account with Bahamas Commonwealth Bank Limited, Nassau, Bahamas in accordance with the attached form of bank mandate and that the Officers be authorised to sign and execute

all documents required in connection with the opening of the said account.

On motion duly made and seconded, Mr. David G. Taylor was appointed Assistant Secretary of the Company pursuant to Article 71 of the Articles of Association of the Company for the remainder of the Company's current year to take effect immediately.

On motion duly made and seconded, it was resolved that shares in the Company be allotted and issued for cash at par to the following persons and that Certificate Numbers 6 and 7 be issued under the Common Seal of the Company as set out below:-

| Name | Address | No. of shares | Cert. No. | From/to |
|---|---|---|---|---|
| Richard C. Pistell | Nassau, Bahamas | 1,995 | 6 | 6 to 2,000 incl. |
| Armoury de Riencourt | Geneva, Switzerland | 2,000 | 7 | 2,001 to 4,000 incl. |

On motion, the meeting adjourned.

Chairman.

Assistant Secretary.

CONFIRMED
AUG 29 1972
R.C. PISTELL

1276A

Reg. No. 19,057/72 Nassau, Bahamas.

31st July, 1972.

The Registrar General,

Nassau.

Sir,

I have the honour to inform you that at a meeting of the Directors of VENCAP LIMITED, held today, Mr. David G. Taylor of New York, Attorney, was appointed an additional Assistant Secretary of the Company for the remainder of the Company's current year.

Yours obediently

Assistant Secretary,
VENCAP LIMITED.

On motion duly made and seconded, it was resolved that the Company open an account with Bahamas Commonwealth Bank Limited, Nassau, Bahamas in accordance with the attached form of bank mandate and that the Officers be authorised to sign and execute

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# CORPORATE RESOLUTION

## To BAHAMAS COMMONWEALTH BANK LIMITED

At a meeting of the Board of Directors of VENCAP

Limited

whose registered office or principal place of business is at 309 Bay Street, Nassau

held the 31st day of July 19 72

the following Resolutions were duly adopted:

IT WAS RESOLVED:

1. That BAHAMAS COMMONWEALTH BANK LIMITED of Nassau, Bahamas be, and it is hereby, appointed Bankers of the Company and that the Bank be requested to open an account or accounts in the name of the Company.

2. That the Bank be, and it is hereby, authorised and requested:

(a) To honour and comply with all cheques, drafts, bills of exchange, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given on behalf of this Company at any time or times whether the banking account or accounts of this Company are overdrawn or any overdraft is increased by any payment thereof or in relation thereto or are in credit or otherwise but without prejudice to the Bank's right to refuse to allow any overdraft or increase of overdraft.

(b) To honour and comply with all instructions to deliver or dispose of any securities or documents or property held by the Bank on behalf of the Company; to hold the Company liable on all agreements and indemnities in connection with the issue of letters of credit, drafts and telegraphic transfers and with all banking transactions.

Provided any such cheques, drafts, bills of exchange, promissory notes, acceptances, negotiable instruments, orders, instructions, agreements and indemnities are signed by ~~any officer~~ the President alone or any two of the other Officers & Directors (or by such other person or persons as the Company may from time to time designate, whose specimen signature shall first be furnished to the said Bank).

3. That the Bank be, and it is hereby, authorised to treat all cheques, drafts, bills of exchange, promissory notes, acceptances, negotiable instruments and orders as being endorsed on behalf of the Company and to discount or otherwise deal with them if endorsed by a stamped impression or purport to be signed by

4. That the Bank be, and it is hereby, authorised to cancel all existing mandates (if any) in force at the date hereof with regard to the Company's said Account(s) which Mandates are hereby terminated.

Provided that all authorities, instructions, instruments and transactions authenticated in accordance with any existing Mandate and purporting to have been given, made issued or entered into prior to receipt by BAHAMAS COMMONWEALTH BANK LIMITED of notice of this resolution shall have effect as between the Company and BAHAMAS COMMONWEALTH BANK LIMITED as though this resolution had never been passed.

5. That any ~~two~~ director(s) be and is/are hereby appointed a committee of the board with full authority

(a) to arrange with the Bank from time to time for advances to the Company by way of loan and/or overdraft

(b) to mortgage or charge all or any of the assets of the Company including goodwill and uncalled capital and to sign on behalf of the Company any documents from time to time required by the Bank relating to or for securing any advances to the Company or any liabilities of the Company to the Bank.

6. That the Bank be furnished with a copy of the Company's memorandum and articles of association and with copies of any amending special resolutions that may from time to time be passed.

7. That the Bank be furnished with a list of the names of the directors secretary and other officers of the Company and with specimens of their signatures and that the Bank be authorised to act on any information given by any director or the secretary as to any changes therein.

8. That these resolutions be communicated to the Bank and remain in force until an amending resolution shall be passed by the board of directors and a copy thereof certified by any one of the directors or the secretary shall be communicated to the Bank.

We certify that the said Resolutions, of which the foregoing is a true copy from the Minutes of the said Meeting are in accordance with the Articles of Association of the Company; and that the names and specimen signatures appearing below are those of the persons having authority pursuant to the said Resolutions, and are correct and genuine.

..... President

..David D. Taylor... Assistant Secretary

Seal

Date July 31, 1972

SPECIMEN SIGNATURES

| NAME (IN BLOCK CAPITALS) | CAPACITY | SIGNATURE |
|---|---|---|
| Richard C. Pistell | President & Treasurer | |
| E. R. Lawson | Vice President & Asst. Sec. | |
| C. E. Murphy | Secretary | |
| J. C. J. Waddell | Assistant Secretary | |
| D. G. Taylor | " | Dave D. Taylor |
| | | |
| | | |
| | | |

The Secretary has pleasure in enclosing:

1. Certificate of Incorporation of the Company (for inspection and return).
2. Copy of the Memorandum and Articles of Association.

Plaintiffs Ex 12

2165

SECURITIES AND EXCHANGE COMMISSION
v.
ROBERT L. VESCO, et al.

Plaintiffs' Exhibit 12

April 12, 1973,
1:15 P.M.

(Trial resumed)

* * *

MR. BLANK: Your Honor, before we proceed we would like to present an order of preliminary injunction and appointment of a temporary receiver which deals with certain defaulting defendants and also an affidavit of myself in support of that motion.

Previously there had been filed a motion of motion and an affidavit of Richard L. Jaeger in support of a motion for default judgment, which recites the relevant facts concerning the default and attaches copies of exhibits.

THE COURT: All right.

MR. BLANK: We were wondering whether your Honor would like this discussed at this point in time.

THE COURT: I think we ought to deal with Mr. Storch and get ahead with Mr. Pistill and maybe later today we can, unless you have something you want to bring to my attention now.

MR. BLANK: No. Let me say with respect to Mr.

RICHARD PISTELL, called as a witness by the plaintiff, being first duly sworn, testified as follows:

MR. KUSHNER: Your Honor, in line with your request for a brief outline of expected testimony, Mr. Pistell was examined in the course of the Commission's investigation preceding this lawsuit, and from that transcript it appears that he is a person who found a number of investments for Vesco and his group. Those investments included Vencap, in which one of the Dollar Funds, IIT, invested $3 million, and that was a company headed by Mr. Pistell. That is described at page 24 of the complaint, Paragraph 60, and at page 33 of our brief filed with this Court on November 27, 1972.

Mr. Pistell also found the Conservative Capital Investment, in which one of the Dollar Funds, Fund of Funds, invested $1 million, and that, too, was a company headed by Mr. Pistell. That is described at page 19 of the complaint, at Paragraph 48, and on page 37 of our brief filed on November 27, 1972.

Mr. Pistell also found the San Cristobal investment, on which your Honor has heard prior testimony in this lawsuit. That is described at page 21 of the complaint, Paragraph 54(b), and at page 30 of our brief.

1281A

Mr. Pistell, when he was examined in the course of the investigation, was in the process of finding another investment consisting of a hotel chain in, I believe, Morocco, and I haven't interviewed Mr. Pistell prior to trial, but no doubt I will want to ask him what became of the status of that investment, which had not been consummated when Mr. Pistell was examined on November 1, 1972.

Mr. Pistell's testimony will also go to the control of Vesco and his group over the Dollar Fund and other entities involved in this lawsuit.

DIRECT EXAMINATION

BY MR. KUSHNER:

Q Mr. Pistell, by whom are you employed?

A By whom am I employed?

Q Yes, sir.

A I am self-employed, and I work for my company.

Q And what is your company?

A Right now?

Q Yes, sir.

A My main interest is, I am president and chairman of the board of Chibex Mining Corporation Limited in Quebec. In turn, fifty per cent of that company, approximately, is owned by Conservative Capital, of which

I am a stockholder, and I am also a stockholder and work for Venture Vancap Limited.

Q Are you also a professional finder?

A I am not only a professional; I can consider myself a financier.

Q Does that include finding activities?

A That includes finding and financing activities.

Q Mr. Pistell, I want to start your testimony with a series of airplane trips, which I will ask you about, concerning whether or not they occurred with Mr. Vesco aboard his famous 707, and for this purpose, if necessary, I am going to hand you to refresh your recollection a document which has been marked as Plaintiff's Exhibit 300 for identification. It is handed to you solely if it is necessary to refresh your recollection.

MR. KUSHNER: Your Honor, this is the document that was delivered to us by Paul, Weiss and is the passenger log for the 707. I would like to hand it up, the original, to the Court.

MR. FELDMAN: What is he supposed to with that?

Q Continuing) At the present time, Mr. Pistell, you need not refer to that I am going to ask you a series of questions involving dates and flights, and if you have to refer to that to refresh your memory, I will

ask you to do so. 1283A

A Fine.

T3

Q Do you recall whether on February 22, 1972, you traveled with Mr. Vesco on his 707 on a trip from Nassau to Newark?

MR. FELDMAN: Object to the form of the question, your Honor. I don't think there is any testimony that Mr. Vesco owns a 707.

MR. LIMAN: If they are willing to give it to him I have no objection.

THE COURT: I missed the reference in the question.

MR. KUSHNER: May we have it reread, your Honor?

THE COURT: Yes.

(Question read.)

MR. RAICHLE: Why don't you say on the much discussed 707.

THE COURT: I will accept that modification, that "his" should be changed to "the much discussed 707."

Do you recall that, Mr. Pistell?

THE WITNESS: Judge, I was on the 707 probably in January, February, all during that year, because I was in the middle of a very substantial negotiation over a period of many weeks, and any time I could get a ride on it I would be on it, because, number 1, it saved air fare, and number 2, it's a very good convenience.

Q What negotiation are you referring to?

A I was referring specifically to the negotiation of the Paradise Island property owned by Resorts International.

Q What part, if any, did you play in that negotiation?

A I instigated the interest in it in the beginning and I also negotiated on behalf and between both parties over many, many weeks and many months.

THE COURT: You didn't say Paradise Island Bottling, did you?

THE WITNESS: No. Paradise Island property.

THE COURT: Property?

THE WITNESS: Right. Excuse me, Judge.

Q Whom did you introduce in that connection?

A I introduced Mr. Crosby and Mr. Vesco.

Q Do you recall when?

A It was in January or February of 1972.

Q Had you known Mr. Vesco previous to this introduction?

A I first met Mr. Vesco at a luncheon at the Metropolitan Club in New York at the request of Mr. Arthur Lipper, who had been associated and known Mr. Vesco for quite some time. Mr. Lipper knew that I had had a great

deal to do with running and financing resort areas all over the world and knew that I was one of the original stockholders of the old Mary Carter Paint Company and did their original financing for them, and I indicated that I thought there could be a possibility of an acquisition of that property.

Mr. Vesco said that he would have an interest on behalf of companies that he represented at the time, and we set up a date and flew to Nassau and I introduced everyone.

Q Do you recall which companies were involved in these negotiations?

A Well, there was myriad companies, as the thing went through, land development companies, finance companies, but basically it was an IOS complex of land companies, finance companies. Which company was which, I couldn't tell you.

Q On the other side Resorts International was the prospective seller?

A That is correct.

Q What became of these negotiations, talking of the period in the winter of 1972?

A In the winter of 1972 the negotiations went on for days, as a matter of fact, weeks. There were periods

that I didn't leave, I stayed with Mr. Crosby at his home for days at a time.

Really there were no conclusions at the end of that winter or that fall.

MR. LIMAN: Could we ascertain where Mr. Crosby's home was for the record?

THE WITNESS: It's on Paradise Island.

THE COURT: Who is Mr. Crosby?

THE WITNESS: Mr. Crosby is the chairman of Resorts International and originally put a group together with myself, Judge, when it was a private company, and we purchased the company on behalf of Mr. Crosby, myself, Lowell Thomas, Thomas E. Dewey, and a group of people that I represented and handled their investments. Then the company became public, at which time I floated the first stock issue through my underwriting firm.

Q Do you recall whether these negotiations for the sale of Paradise Island collapsed in the spring of 1972?

A Excuse me. I can't hear you, sir.

Q Did they collapse in the spring of 1972?

A The negotiations came to a grinding halt at the end of 1972. Yes, they did.

Q Mr. Pistell --

A Beginning with 1972 to the end of 1972 it was still being negotiated. I am not great on dates, ... but the negotiations came to a grinding halt when all the lawsuits were filed, etc.

Q Are you referring to the SEC lawsuit filed on November 27, 1972?

A I would imagine, if that's the date, you know, when all the lawsuits were in the press and the papers and everything.

Q Is it your testimony that the negotiations for the sale of Paradise Island involving Resorts International and the IOS Group were more or less continuous from January, 1972 --

A Absolutely.

Q -- up to November 27, 1972?

A I would say so, yes, all through that period.

Q That is your recollection?

A Yes. As a matter of fact, at one time there were so many people and accountants coming in, and experts, it took months, you know.

Q You have no recollection that on April 7, 1972, Resorts International issued a press release saying that the negotiations for the sale of Paradise Island had come to an end?

A I did not see that release.

Q When you refer to your staying with Mr. Crosby at his home on Paradise Island --

A Yes.

Q -- I believe you also said that you shuttled about between his home and somewhere else.

A Well, I have a home too in the Bahamas.

Q Were you the intermediary between Mr. Crosby and the other side?

A Yes, that is correct.

Q Was this correct throughout the negotiations?

A Well, at one point I completely left the negotiations because I had other business to do, and it was going on and on and on and there was no sense in me sitting there month after month.

Q When was this?

A I would say March, April, in that period there.

Q After you left the negotiations in March or April, 1962, did you reenter them at any future time?

A Down towards the end, yes.

Q When was that?

A Well, I can't tell you, but I would say it was a three or four, maybe five-month lapse in there before it rekindled to a serious point.

Q Did anyone ask you to reenter the negotiations?

A Mr. Crosby came -- called me and asked me to come over and sit there with him for a while. He was never -- in my mind Mr. Crosby was never really anxious to sell the property. There had been another gentleman on the island for quite a period of time that had shown an interest in buying the property. He had departed from Paradise Island.

Really when a man takes something from nothing, you look at thousands of rooms and a wonderful business, he is selling a piece of himself, and Mr. Crosby had pros and cons about selling the property all through the negotiation.

Q Is that why he asked you to reenter the negotiations?

A Yes, and in turn I must say that negotiations got to a very tough negotiating stage because of the back end of the security on the property on the island and the terms of the release clauses and what security was going to be against the underlying notes, and this became a very touchy point on both sides of the negotiation.

Q This was at the stage where you reentered the negotiation?

A Yes.

1291A

Q Do you recall when that was?

A I really can't recall the exact date.

Q Do you recall the month?

A I really can't, but I would say it was three or four months, five months maybe, after the initial stage and investigation that the IOS companies were making on the island, which were just entailed with hundreds of people and sewer specialists and marine specialists and hotel specialists and food specialists.

Q When was this initial --

MR. BAKALE: A very thorough investigation.

THE WITNESS: I'll say. As a matter of fact, it was so thorough they haven't got a deal.

Q When was this initial investigation commenced?

A January or February.

Q So that is it your testimony that you reentered negotiations some time in June or July of 1972?

A I can tell you exactly if I am --

MR. FELDMAN: If your Honor please, I object. I think it has been asked and answered. He said it was four or five months after the first stage that he came into it in the second stage.

THE WITNESS: It was a very traumatic night, the final phase of it, because it's the night Howard Hughes

left, and if you can tell me that date, I can tell you when the last serious meeting was, you know, because we were in the meeting and kind of all hell broke loose.

MR. HUBNER: I am just asking my colleague if there is any film buff in the courtroom. I don't know when Mr. Howard Hughes left nor where he left.

MR. HIRSH: He left for Nicaragua at that point.

MR. FEUDER: From Paradise Island, Bahamas.

Q Just for those of us who may decide to refer to newspapers now, the night that Howard Hughes left Paradise Island was the same night as what?

A As the really final hard negotiation for the final conclusion of the terms, the cash amount down. The deal was fairly well agreed to in philosophy, but it was the underlying security that Mr. Vesco and his associates kept pressing, where they wanted releases on the land as they sold. You follow me?

Mr. Crosby did not want to release until the whole indebtedness had been paid off in bulk.

Q This is at the point when you reentered the negotiations?

A I had been there for, yes, probably three or four days during and through this period.

Q What was your participation?

1293A

A My real participation was that the tempers were hot, the people were impatient, and to try and keep all the interested parties together so they still talked to each other, and there were moments when no one was talking to each other.

b3

Q How many of these sessions did you sit through?

A About two or three dozen.

Q Do you recall the participants?

A Yes, Mr. Clay, Mr. Straub, I believe Dr. Meissner was there, but not fully during the negotiations. It was mostly Mr. Clay, Mr. Straub.

MR. FELDMAN: Can we find out where these meetings took place, Mr. Kushner?

THE WITNESS: They were on Paradise Island, mostly all of them in Mr. Crosby's home.

Q Do you recall whether Mr. Vesco was there?

A Yes, he was there.

Q You have mentioned Mr. Vesco, Mr. Clay and Mr. Straub, Dr. Meissner. Was there anyone else present?

A Dr. Meissner was in and out over the months. Really it was mostly Mr. Clay and Mr. Straub.

Q When you say over the months, I am only directing your attention to the several sessions you have testified about just now, where --

1294A

A Right. That would have been Mr. Clay and Mr. Straub and Mr. Vesco at those meetings.

Q Now, Mr. Pistell, returning to the beginning of the negotiations --

A January and February.

Q All right.

During January and February 1972, were you at negotiating sessions?

A Right.

Q And do you recall who the participants were?

A At that point, the same participants, I would say: Mr. Vesco, Mr. Clay and Mr. Straub. Now, there were other people coming in at all times from all over the world, like land people, food specialists, plot layout people and things like that, but they were not in the negotiations, you know. I believe at one time they had thirty or forty rooms rented, you know.

MR. FELDMAN: Thirty what?

THE WITNESS: Thirty or forty rooms rented at one time.

MR. FELDMAN: For the people involved?

THE WITNESS: Right.

Q During this period, January to late November 1972, did you see any drafts of contracts covering the sale of assets on Paradise Island?

A I saw stacks of them, I would say some of them

reaching four or five feet tall. 1296A

Q Do you recall any of the names of the companies that were the prospective purchasers?

A I wouldn't, because, to be honest, I never read one contract. You know, they were up in the law office. My law office in New York happens to be the same law office for Resorts International.

Q You mean, the office of the law firm that represents you?

A Right. Havens, Wandless, Stitt & Tighe.

* * *

Q Is the name Gulf Stream, Bahamas, Ltd. familiar to you?

A Yes.

Q And do you recall how you became familiar with that name?

A I think I read about it in the newspapers.

Q Referring to when? When did you --

A Oh, in the past few months, you know.

Q Since the Commission's lawsuit was started?

A Right. I think there was an article in the papers in the Bahamas on it that I read.

Q And prior to November 27, 1972, you didn't know the name of that company?

A No.

1297A

Q Have you had an occasion to find out about that company since November 27, 1972, aside from reading the newspapers?

MR. MARTIN: Objection, your Honor.

A Not really.

Q When you say "not really", your answer is no?

A Right.

Q Do you recall whether on March 30, 1972, you traveled with Mr. Vesco on the much discussed 707 on a trip from Newark to Nassau?

A I can't remember the specific date, but I was almost a commuter at this point.

Q Do you recall the purpose of that trip?

A Not specifically, no.

Q Would you please Look at the entry in Exhibit 300 for identification for that date and see if it refreshes your recollection in any way?

THE COURT: What is the date?

MR. KUSHNER: Your Honor, this is March 30, 1972.

A This is March 30, 1972.

On this trip I can remember very distinctly that I had my wife and my family and my children, and I had to have a meeting in the -- in Nassau, and it was

their vacation time, and I couldn't get airplane reservations and asked Mr. Vesco if the plane was going down, could I bring my wife and my family?

Q What was the purpose of the meeting you had in Nassau?

A At that time?

Q Yes, sir.

A I was discussing an investment in Nassau at that time.

Q Was this investment related to Mr. Vesco or any of his associates?

A No. Nothing to do with it whatsoever.

Q So that you, figuratively speaking, hitched a ride?

A Hitched a ride.

Q At that time?

A That's correct.

Q Do you recall whether on May 12, 1972, you traveled with Mr. Vesco on the much discussed 707 on a trip from Newark to Nassau?

A I could have. I probably did. Newark to Nassau?

Q Yes, sir.

A I'm in the book as being on the plane, but I

can't remember the purpose.

Q Well, do the names of the other passengers listed on that flight in any way refresh your recollection as to the purpose of the trip?

A No, because there were people on the plane at times that I never knew or said hello to or knew what their business was, and I didn't, you know, interfere.

Q Well, if you will examine certain of those passengers on the May 12th flight, Mr. Pistell --

A Would you hold this just a minute?

Q Yes.

A If you will, please, sir.

Right.

Q As of May 12, 1972, had you met Mr. Meissner?

A You and I are on a different plane trip.

Q I am talking of May 12th.

A Yes. I've got 5/12 -- wait a minute. Excuse me. Here we are.

I was on a different plane trip.

I met Dr. Meissner, and if he was on the plane I met him on the plane.

Q But do you recall whether you had met him previous to May 12, 1972?

A Oh, yes. I had met Dr. Meissner on Paradis

mps

Q All right. Had you met Mr. Clay prior to May 12, 1972?



A Yes.

Q And you met Mr. Straub prior to May 12, 1972?

A That is correct.

Q Had you met Mr. Graze prior to May 12, 1972?

A Yes; I had.

Q Had you met Mr. LeBlanc prior to May 12, 1972?

A Yes; I had.

Q Do you recall whether you went down with these gentlemen and others on that trip on May 12th in regard to any IOS-related business?

A I can't specifically recall the reason for being on the trip, but I met all of them in January of '72.

Q Do you recall whether the Conservative Capital situation or investment was discussed by you with the IOS people prior to May 12, 1972?

A Yes; it could have been. I was discussing that with Mr. Graze for quite some time.

Q Are you able to say whether this trip on May 12th had anything to do with that?

A I can't remember specifically if it did or if it didn't, to tell you the --

1301A

Q Now, Mr. Pistell, on May 16, 1972, did you travel with Mr. Vesco on the much discussed 707 on a trip from John F. Kennedy Airport in New York City to Nice, France?

A Yes; I did.

Q What was the purpose of that trip?

A He was going to Beirut, and I wanted to go to Beirut and see some people and something I had been looking into for quite some time.

Q Was your visit related to his visit?

A None, no. Nothing to do with each other in Beirut.

Q Did you know why Mr. Vesco was going to Beirut?

A I do not specifically know why, but I understand he had negotiations on there for a deal. Whether it was airlines or hotels or what it was --

Q Is that something he told you?

A It was something that I heard him talking about, as a group.

Q Were these negotiations related to IOS?

A I would imagine definitely they were, but I mean, I can't tell you specifically.

THE COURT: You say you imagine because you

don't know?

THE WITNESS: That's correct, Judge.

Q Did you ever hear Mr. Vesco say who the prospective investors or investing group would be?

A Not really, no, but from what I heard and what I understood it would be the complex of various interests, land companies, hotel companies.

Q The complex of various interests refers to what?

MR. FELDMAN: If your Honor please, I don't know why we are wandering off to Lebanon. I don't think there are any Lebanese investments described in the complaint.

2 THE COURT: In any event, I gather Mr. Pistell does not know, or all he does know is what he overheard.

THE WITNESS: Well, that's true, Judge.

Q Overheard from whom?

A Overheard --

MR. FELDMAN: May I press the objection, your Honor, to the relevance of any conversations with relation to Lebanon?

MR. KUSHNER: Your Honor, the trip from Kennedy, New York, to Nice en route to Lebanon would be related to

1303A

nal means --

COURT: I would suppose it is relevant,
going to get anything reliable from this

is it correct that you continued on the
France, to Beirut on March 16, 1972?
ne records it is, yes.
while in Beirut, did you attend any meetings
r. Vesco?
I don't believe I did. I went to one
d met a partner of a banking firm just to
that's all I can remember, and I met a
worked in one of their offices in Beirut.
e was their offices?
one of the companies or one of the com-
n't know which one, you know.
complex are you referring to?
, you remember companies here that were in
Business, the land sales business, the
s, and I guess they had an office left
orn field days there.
Mr. Vesco introduce you to this gentleman?

ou recall his name?





A No.
both his wife an
were very pleasa
MR. L
having a discove
here?
THE C
of these flights
MR. K
are a number of
you, if you wish
flights.
THE C
endeavor to find
can tell us some
the next one.
MR. KU
I am
me to ask a summa
THE CO
Q Do you
traveled with Mr.
A Yes.
Q And di

I do not recall his name, but I went to
ad his apartment for cocktails, and they
ant people.

LIMAN: Is this really relevant? Are we
ery session in the presence of the Court

OURT: Do you propose to go through each
?

USHNER: Your Honor, if I might, there
other flights. I can count them for
, but I do propose to go through these

OURT: All right, but I think you should
out at the outset whether the witness
thing about it. If he can't, go on to

USHNER: Very well.
unclear as to whether your Honor wants
ary question.

OURT: No. Go ahead.

u recall whether on May 18, 1972, you
. Vesco on the 707 from Beirut to London?
We did go from Beirut to London.
ld you attend any meetings with Mr. Vesco

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1305A

in London?

A No. I wanted to see Mr. Graze. I had some meetings with Mr. Graze in London.

Q And what were meetings about?

A Mr. Graze asked me to come over and take a look at some of the investments and some of the funds from prior management days, where there had been millions and millions of dollars invested in what I would call stiff investments, because I have had an expertise in turning companies around, and in the portfolios of some of the funds there had been millions and millions of dollars dissipated in investments in the corn field situation, and I studied these and took a list of them and wanted to know if I could help him out in working on some of the situations, and when I loked at them and sampled a few of them, it was really a job for a liquidator and not an entrepreneur type of financing.

Q You had meetings with Mr. Graze in London on May 18, 1972?

A I believe -- I have had quite a few meetings with Mr. Graze in London, but I imagine that would have been one of the dates, yes.

Q And those meetings concerned investments already made by the IOS funds or prospective investments?

A Yes. They had tens of millions invested in real estate and factories that made brick out of horse manure and companies in the United States that were in the textile development field, and it was really a mess.

Q Mr. Pistell, my question was, did you also discuss progress of investment with Mr. Graze at that time?

A Yes. I probably did discuss the Chibex investment at that time.

Q Had you previously discussed that investment with Mr. Vesco?

A With the Chibex investment?

Q Yes.

A I mentioned it to him, but he really showed no interest in that. Mr. Graze was a man who understood economics. He had been a teacher in economics, and he had been a venture capital Analyst on Wall Street and ran the portfolio of the funds.

In 1971, I decided that the world currency situation was going to come unhinged, and I, through a group of geologists that I had worked with very closely over the years, told them to find me the finest marginal gold property they could in the Northern Hemisphere that would be a profitable operation above $35 an ounce in gold.

The search took a year and a half to two years, and I came up with a property.

I told Mr. Graze I thought that the dollar would be devalued in 1972, at the beginning, that there would be no fixed parities for any currency in the world and that gold would have a very substantial rise on the world market, at which point I also suggested that he get in a very liquid position in his funds and also buy German marks, Swiss marks and Japanese yen.

Q When did you tell this to Mr. Graze?

A I would say in the beginning of 1972.

Q Referring to the months of January and February?

A Yes. When we first met on Paradise Island.

Q Now, did Mr. Vesco have anything to say about the Chibex subject when you discussed it with him?

A Not really. He just said, "On anything pertaining to that, you talk to Mr. Graze. He handles that type of investment."

Q Now, in your discussions with Mr. Graze in January or February of 1972 about liquidity, did he tell you that the funds were then investing in blue chip United States securities?

A He said that they had had a lot of securities, but when the market during the '72 or the end of '72-'3

period passed over the 1040 mark, I called him once and told him he ought to sell them all.

Q Did he tell you that the funds were still purchasing blue chip United States securities?

A He never indicated what the funds were doing on a day-to-day basis. We always talked on a philosophical monetary type of talk.

Q How long a period did this philosphical monetary talk cover?

A It started in '72 and still goes on.

Q Now, are you able to recall whether you returned with Mr. Vesco from this trip to France and Beirut to London and finally to Newark on May 21, 1972?

A Just let me take a look here.

Is that May 21?

Q Yes, sir.

A May 21st. May 21st I was not aboard.

MR. LIMAN: London to Newark?

THE COURT: I think you are on the wrong airplane, Mr. Pistell.

THE WITNESS: I've got 5/21 here, Judge.

Oh, you've got these in the page behind. I see.

A Yes, we did.

Q Now, during this trip, which consumed approximately five days --

A Yes.

Q -- did you discuss with Mr. Vesco any prospective investment that you wanted his people to make?

MR. LIMAN: Objection to the form: "his people".

A I could have very easily, but I can't recall any specific investment, you know.

MR. FELDMAN: May we move to strike the question and answer based on the form, your Honor?

THE COURT: No. Let it stand.

Q Now, do you recall whether on January 3, 1972, you traveled with Mr. Vesco on the 707 from Nassau to Newark?

A Yes; I did, according to the records, yes.

Q And what was the purpose of that trip?

A I guess it was to come to New York. My wife was with me.

Q Was there any business reason for the trip?

A Probably not. I think I probably called up. You've got to remember that it's very hard to get on airplanes between here and the Bahamas. They're growing so rapidly. Sometimes you can't make reservations for two or three weeks ahead of time.

1310A

Q So that you hitched that ride?

A Probably, yes.

Q Now, is it correct that Mr. LeBlanc was one of the people aboard that flight of June 3rd?

A According to the record, his name is here, but I can't specifically recall, you know, being on board at that time.

Q Do you recall whether on June 29, 1972 you traveled from Nassau to Costa Rica with Mr. Vesco on the 707?

A Yes; I did travel, according to the records, on June 29, 1972, from Nassau to Costa Rica.

Q And what was the purpose of that trip?

A The purpose of that trip was to introduce Mr. Vesco and his wife, and Mr. Cerny was along with us, to Costa Rica, to the people in the Government of Costa Rica and to the various people in business in Costa Rica.

Q Do you recall how many days you spent in Costa Rica on that trip?

A I can't recall how many days on that trip. Maybe I'm on the plane coming back. I don't know.

Q Yes. I ask you to look at the flight of July 8th from Costa Rica to Fort Lauderdale.

A Oh, yes.

Q Does that refresh your recollection as to how many days you spent in Costa Rica? 1311A

A Yes. I did stay down in Costa Rica, and I had my wife and my children, my daughter coming down with Mr. Vesco's family to Costa Rica.

Q So that was this stay in Costa Rica about eight or nine days?

A It was actually, according to that -- I don't recall leaving Costa Rica.

Q Now, how had the subject of Costa Rica first come up between you and Mr. Vesco?

A Very simply. I have a very dear friend of mine named Joseph Burke, whom I have had a long association with, who passed away a few months ago, and he had a very good friend called Mr. McAlpin, who had headquarters in Costa Rica and was basically a very interested individual in the cattle business. Mr. McAlpin was on a vist here to New York, staying at the Carlyle Hotel, and Mr. Burke said, "This is someone you ought to meet. He's an investor, and he's interested in the cattle business."

Q Excuse me for a minute. Can you fix the time of that visit by Mr. McAlpin to New York?

1312A

A I really can't.

Q Not by month either?

A No, I really can't.

Q Please go ahead.

A So I went to the Carlisle Hotel and met Mr. McAlpin and he told me about Costa Rica and a little bit about the cattle business down in Costa Rica and the price of land and the availability of land.

I took a great interest in not only what I heard of the agricultural end, but also about the country, and I got myself on an airplane and went to Costa Rica.

Q When was this?

A Well, it was prior to this trip. I would say it would be -- I don't know -- May probably some time. This is June and July.

Q So far you have told me how your interest in Costa Rica arose.

A Right.

Q How did the subject of Costa Rica arise between you and Mr. Vesco?

A Number 1, Mr. Vesco was interested in relocating

1313A

the headquarters of the IOS complex that had been in Switzerland and France. Under the old regime, to be perfectly frank, they were not very happy with the Kornfeld regime and the people that had surrounded it and their mode of living in Switzerland. The Swiss have a different conservative outlook on life, I guess. Beside that, they were letting thousands of people go, cutting down on the staff.

Mr. Vesco was interested in a central location for his operation, one. Two, he was interested in investing in the Caribbean area in the tourism field, but did not want to be on an island, isolated on an island. He wanted to be on a mainland.

When you look at Costa Rica it is very well situated by air and by location. It is a completely democratic country with a government whose president's main desire in life has been to fight Communism, who, as a matter of fact, led an army of 5,000 peasants back, literally, with shovels and hoes, and established probably one of the most unique countries that exists in the world today, socially, economically and weatherwise.

I also visualized this as a banana country, but when you arrive there I think anyone who goes there will see something that is out of the Lost Horizon, a

shangrila, a valley of 4,500 feet surrounded by magnificent mountains and volcanos, people that are up at 7 o'clock in the morning working, running to work, a country whose balance of payments are in a very healthy situation, and a country where still entrepreneurship is rewarded. 1314A

And I recommended that Mr. Vesco come to Costa Rica.

Q You made this recommendation after Mr. Vesco told you about his desire to relocate IOS headquarters?

A That is correct.

Q Do you recall when he told you this?

A I think as a group all of them wanted to relocate, just to change the image, to change the feeling of the past management that had been there, you know.

Q My question was when he told you this.

A When?

Q Yes.

A Oh, they were cutting back and firing thousands of people from the first month I met them. I think they had a staff of four or five thousand people working in Switzerland that was eventually cut down to two or three hundred people.

Q That still doesn't help fix a date.

A I would say it's all during 1972.

Q All during 1972?

A Right. Since the first moment that I met them and they were interested in negotiating in Paradise Island they were interested in relocating the headquarters.

Q When did you first tell Mr. Vesco of your impressions of Costa Rica?

A The minute I came back.

Q Do you recall what month that was?

A I can't really recall, but I would say it was a short time before I got he and Mrs. Vesco to come to Costa Rica.

Q Do you recall what he told you after you told him of your opinions concerning Costa Rica?

A Yes. He said "It sounds like just the ticket and we'll go down and take a look at it."

Q How did you and Mr. Vesco spend your time during this eight or nine-day trip to Costa Rica starting June 29, 1972?

A June 29th. Now, let me just see something, if I may.

He left, according to this, and I stayed, then he came back down, from what I can see. Am I correct or not on that?

Q Yes.

A He left on 7-1-72. Mr. Cerny went to the Dominican Republic, it says here. My record shows here on the 6th is when the family came down, the children came down.

Q So if we take it by parts, do you recall whether you and Mr. Vesco were in Costa Rica together on June 29th and June 30th?

A I would imagine we were, yes, according to the records.

Q What did you do during those two days?

A During those days I introduced Mr. Vesco to Mr. McAlpin, I introduced Mr. Vesco to Mr. Figueres, and I arranged a meeting for Mr. Vesco through Mr. Figueres to meet President Figueres.

Q The Mr. Figueres you refer to is the son of President Figueres?

A That is correct.

Q Was there such a meeting held with President Figueres?

A Yes.

Q Who was present?

A I believe at the first meeting it was just Mr. Vesco, Mr. Cerny and myself made an official visit to

their White House, you know, and paid our respects.

1317A

Q Was there a second meeting?

A I believe -- on that trip I can't specifically recall a second meeting.

Q During these two days of June 29th and June 30th.

A I really can't recall a second meeting, but there could have been.

Q At this first meeting do you recall what was discussed?

A Number 1, Mr. Vesco said that on behalf of himself and a group that he was advising that they were looking for a new headquarters, to relocate, that he was very interested in under-developed countries, that his real interest, if he could possibly work it out, would be to set up a new international banking zone that would be open to the world, which would enable people and companies to come and do banking in that country, or wherever it was.

Q Did Mr. Vesco say anything about prospective investments that might be made in Costa Rica?

A One investment that I was looking at through Mr. McAlpin's introduction to me of Mr. Figueres, Jr. was the San Cristobal deal, and I went up and went through the factory and the plant and the location, and I was

highly impressed with it, because it not only was a chance to, in my opinion, make some money in the future on growth, but it was a very fine investment socially for a community.

Q Was this investment discussed at the meeting attended by you and Mr. Vesco and Mr. Cerny with President Figueres?

A No. That was just a meeting more or less to introduce ourselves and say hello. The main negotiations-- not negotiations -- the main look-see on San Cristobal was done by Marti Figueres, who was the son of the President.

Q Staying for a moment with the meeting among the President and yourself and Mr. Vesco and Mr. Cerny, did Mr. Vesco discuss any prospective investments that might be made in Costa Rica?

A At that time, no.

Q At any future time?

MR. LIMAN: Did he discuss them at a future time or did he discuss at that meeting any future investments?

A I mean, later on there were discussions of investments in Costa Rica. Whether it took place the next day or the next week -- do you follow me -- I can't pinpoint it. At that meeting, as you always do when you

visit a country, you pay your respects to the government and the president, more or less say hello. 1319A

Q Referring to this next time that you have just been discussing, who was present on that occasion?

A Well, let me just say -- you are asking me, you know, to pinpoint things. I can tell you basically we all drove to La Naucia, to San Cristobal.

This is a complete community for thousands of people, where a family of six people can buy a home for $1,800, and they have sinks to wash in and doors to walk through and they have stoves. Here is a man that has devoted 15 or 20 years of his life to studying the genetics of trees and went to Israel--I don't know whether you knew this or not -- for the United Nations and worked three years of his life teaching them how to plant trees and genetics.

Anyone who considers this a banana country, this is one of the finest countries with the finest people with the highest social standing in the world today, and he deserves a great deal of credit and the country deserves a great deal of credit.

I say that because, you know, Mr. Figueres, Sr. lectures at the Wharton School of Finance, the Harvard School of Business. He was a waiter in New York. He

worked his way through MIT. He is a hydraulic engineer. He is a wonderful human being.

1320A

THE COURT: The weather good?

THE WITNESS: Absolutely fabulous. There is a rainy season for three or four months, which is excellent for the agricultural products and grass. In the South Dakota area, Judge, you can get an average of eight cows to an acre. Down there you can get an average of 16 cows to the acre and feed them, which is a tremendous advantage. It's a fabulous country.

Q Who went down to La Laucia?

A Mr. Figueres, Jr., myself, two or three young members of his staff, who incidentally are excellent production people. He has taken the people and the peasants of the valley there and sent them to England, to factories, where they can now learn to use complicated machinery. These are all self-educated people.

Q Did Mr. Vesco join the party traveling to La Laucia?

A Yes. We went up and had lunch with Mr. Vesco and Mrs. Vesco and myself and saw La Laucia, the valley, and walked through the plant, yes.

Q Was there talk of making an investment in that area?

A There was talk of making an investment, because they needed approximately, when you looked at their balance sheet and cash flows, $2.5 million to enable them to buy the right equipment to expand on the low cost housing field. The low cost housing field is their great need down there and they have designed homes which can be on blocked out acreage, with the woods that they have, and they can supply a family of six a home for $1,800. 1321A

b3

Q What did Mr. Vesco say about this needed financing?

A He said that it was all very interesting to him and that he would call and get in touch with the necessary people that would come down and take a look at the plant and the facilities, because he was not an engineer, he did not know housing and machinery and all that, and have them come down and take a look at the investment.

Q Did he name the necessary people?

A Yes. He wanted Dr. Meissner mainly to come and take a look at it.

Q Did this occur?

A Yes, Dr. Meissner did come down to Costa Rica.

Q Do you recall when?

A No, I cannot, but I can remember we were having a dinner with the Figueres family, a whole group of people, and Mr. Meissner, Dr. Meissner, arrived from Canada, he flew down.

Q Did he arrive from the annual ICS shareholders' meeting, if you recall?

A I can't recall, you know, what meeting he came from, no.

Q Do you recall whether this was at the end of June or the beginning of July, 1972?

A I would say it was in that area, but I can't tell you, you know, specifically.

Q Were you with Mr. Meissner when he looked at this area?

A I went up with him, yes, but he took the engineers himself. He had another gentleman with him. Whether he was an engineer or not, I don't know. They spent a lot of time going through the plant, not only the housing end of it, but also the polyethylene extrusion end for coffee bags, the sisal end for rope, you know.

Q Were you along at this time?

A I was along, yes, but I had been through the plant about two or three times by now and didn't necessarily walk through on each trip.

Q After this visit was there a discussion with Mr. Meissner and others about the investment? 1323A

A Then Mr. Grace came down. Mr. Graze met the head of the banks and looked over the banking system, looked over the balance of payments, looked over the agricultural product balance and deficits.

So they had someone looking over the banking, they had someone looking over the machinery, and eventually they concluded to do a deal.

Q Was this visit by Mr. Graze around the same time as the visit by Mr. Meissner?

A I would say it might have been, but he was there alone, because when he and his wife were there I stayed with them to show them around.

THE COURT: There are too many "he's" in that sentence. When you say "he was there alone" who do you mean by that "he"?

THE WITNESS: Mr. Graze and his wife were there alone, separately from everyone else.

Q You didn't take another trip to the factory with him?

A I went up to the factory again and walked through the factory again, yes.

Q After this visit by Mr. Graze was there a

discussion as to the prospective investment in San Cristobal? 1324A

A Yes, there was. At this meeting, after they had all been through it, they then negotiated their deal with Marti Figueres.

Q Who is "they"?

A That would have been Dr. Meissner and I guess Stanley Graze, would have been the two negotiators. I would think Dr. Meissner did most of the negotiating.

MR. ELLIOFF: Your Honor, does the witness say he guesses Stanley Graze was there or --

THE WITNESS: Mr. Graze was there with me separately. At the negotiation of the San Cristobal, I cannot say whether he was there or not.

Q But you were there?

A No, I was not there. I got a meeting of principals in mind and left.

Q Who were the principals that you arranged a meeting for?

A The meeting of the principals I would say would have been Dr. Meissner and Marti Figueres.

Q And you were there?

A No, I was not at the final negotiations.

Q Didn't you say a moment ago that there was

a meeting of principals where a commitment was made and then you left? 1325A

A There was a meeting of principals to go forward in philosophy -- you follow me -- with a deal. Deals start out and can go for months negotiating back and forth and I have learned to leave town after a while and let them fight it out.

Q At this meeting, is this the meeting you testified to a moment ago when Mr. Figueres and Mr. Meissner were present?

A I cannot specifically tell you exactly what meeting and where they had the final negotiations.

Q Nor --

A Who negotiated what.

THE COURT: All you can tell us is that you arranged for them to meet?

THE WITNESS: That is correct. I mean, this was going over a period of days. In the meantime I had my own cattle people down there and I was doing a reckoning on the cattle land, the grasses, etc.

THE COURT: I think we might take a ten-minute recess at this point.

(Recess)

BY MR. KUSHNER:

Q Mr. Pistell, at some point in time were you informed that there was an agreement in principle between San Cristobal and a company that would provide the financing that San Cristobal sought?

A Yes, I was.

Q When was this?

A I would say that it was about a 30-day period after I left San Jose the last trip, which would have been approximately, according to the records here, July 8th, if that was my last trip.

MR. KUSHNER: Would you read back the last answer, please.

(Answer read.)

Q Mr. Pistell, the actual loan agreements are in evidence, and they are dated July 31 or prior.

I refer you to Exhibits 6 through 11-B and 12, all of which are documents relating to the transaction, and there are various dates of July 27, July 28, July 31, July 31, July 28.

Does that refresh your recollection any as to --

A I really didn't see any of these agreements or any of the closing agreements. The only thing I closed was getting my commission, which took place in the Bahamas after the deal was closed.

Do you follow me?

Q Yes, sir. I understand that. My question is, before the deal was closed, at any point in time were you told that there was an agreement in principle and that negotiations were taking place to reduce it to writing?

A Yes; I was. I was told that prior to that closing that they had agreed in principle, and there would be a closing.

Q And when were you told that?

A I can't really pinpoint the date.

1328A

Q Do you recall who told you?

A I believe -- I really can't tell you who told me that, specifically, now. It may have been Mr. Cerny may have told me that.

Q Well, at what point in time did you know that you were entitled to a commission?

A After the closing date I was told at some point to be at the bank in Nassau and get my commission, upon closing, which is standard procedure in all closings.

Q Who told you that?

A I believe that -- I can't specifically recall who told me that.

Q Do you recall the name of the bank where you traveled to get your commission?

A Commonwealth Bank.

Q Is that Bahamas Commonwealth Bank?

A That's correct.

Q Do you recall when you went to the bank?

MR. LIMAN: You mean the time and the date?

MR. KUSHNER: No. The date.

A No, but I could find out exactly from my own closing papers.

Q Do you recall who gave you the commission?

A The commission was paid by San Cristobal, the

company.

Q I meant the person who handed it to you. Was it a check?

A A check.

Q Do you recall who handed you the check?

A I believe it was Martie Figueras.

Q And how much was the check for?

A $150,000.

Q And had you previously agreed on this sum with anyone?

A I had agreed on that sum, yes.

Q With whom?

A With Martie Figueras.

Q When?

A While I was in Costa Rica.

Q Did you --

A I did not get the $150,000. $50,000 of that money went to Joseph Burke.

Q And the balance --

A Went to me.

Q Now, when you said you agreed on this sum with Martie Figueras when you were in Costa Rica, is this your visit to Costa Rica at the end of June 1972?

A I can't specifically say, but my agreement was,

if I got them the financing, it would be roughly a 5 per cent commission.

Q Well, do you recall how much the financing was?

A 2 million and some-odd thousand dollars. Approximately, I think, 150 or two million two.

Q Referring to Exhibit 6, it is $2,150,000.

A Right.

Q And your commission was --

A 5 per cent.

Q Well, if my arithmetic is correct, it was somewhat above 5 per cent?

A Yes, but Mr. Burke was entitled to $50,000 out of the $150,000.

Q All right.

Now, returning to your visit to Costa Rica, do you recall when you had the second occasion to meet with President Figueras?

MR. LIMAN: Objection, your Honor.

What is the point of going into these meetings with the president of Costa Rica? It may be very interesting for all of us, but we are here to try a case, and it involves issues other than his meetings with the president.

MR. KUSHNER: Your Honor, the question --

THE COURT: Overruled.

A Excuse me. Just when was my next meeting?

Q Yes, sir.

A Let me just say that I would see the president off and on during all my visits in Costa Rica, every opportunity I could.

Q Now, was there a next meeting at which Mr. Vesco was present?

A There was a meeting when we all went to a big fiesta at McAlpin's ranch.

Q And when was this?

A That was approximately, I would say, 7/7 --

Q 7/6 they all flew down. 7/7 --

A Well, maybe 7/6.

Q And who was present at that? Was that a social occasion --

A Well, it was --

Q Or a business --

A -- but I had one of my top cattle people fly down, and everyone in Costa Rica was coming -- it wasn't only a fiesta. It was the opening of a school. It was the first time they had electric lights in this valley in history, and Mr. McAlpin had built a school,

and everyone in Costa Rica came, from the head of the Department of Agriculture to the president, to the head of the schools to the -- all the top government people.

Q And was Mr. Vesco there?

A Yes. Mr. Vesco, Mrs. Vesco and his children, too --

Q Anyone else in the way of associates of Mr. Vesco?

A I don't believe so, but there could have been.

Q On that occasion, did you have any discussions of business with Mr. Vesco?

A Well, not really. No one really had an opportunity, because there was about a thousand people, and basically everyone slept out in the open.

Q This is the famous meeting or occasion you testified to in your investigatory transcript?

A Yes. It was very fine.

Q Now, did you ever attend a meeting where Mr. Vesco and President Figueras were present and Mr. Vesco discussed prospective investments that might be made in Costa Rica?

A I had been in several meetings, not just one, but during this visit he said that they were interested in the international banking type of setup in Costa Rica,

that they were interested in the tourism field, which, incidentally, the country of Costa Rica is not too interested in. As a matter of fact, they bought a hotel back -- I believe the Hilton Hotel on the Pacific Coast -- and turned it into a hospital. And they're interested in agriculture plus bringing industry. There are some industries there, but there's a need for a lot more: tire companies, truck companies, that type of thing.

Q Do you recall any of the specifics of what Mr. Vesco said?

A Not really, because everything was in a very broad brush at this point, your know.

Q Broad brush in terms of what? In terms of industry?

A Broad brush in terms of the economics of the country and what the need was. One thing that they had a great need for was a pipeline, of course, at Costa Rica, because it is the narrowest part of the isthmus, with deep water on both sides, and with the Peruvian Basin being developed, it was a very great saving, instead of having tankers going around the Cape, to have a pipeline there.

THE COURT: Did you say a pipeline in Costa

1334A

Rica?

THE WITNESS: Yes. It was only 160 miles across there.

THE COURT: A pipeline from where?

THE WITNESS: They have refineries on the Coast there.

Q Did Mr. Vesco discuss the dollar amounts specifically of any investments?

A Not specifically that I remember.

Q Did he discuss who might be doing the investing?

A He said Dr. Meissner might be down and Mr. Straub would be down and Mr. Clay would be down, the top people on the team that would do the banking and real estate and that type of thing.

Q Do you recall anything that President Figueres had to say on this subject?

A President Figueres said that they needed working capital for the country and that they needed hard dollars, and he would be interested in loans to the country.

Q Did you hear any discussion of coffee plantations?

A In San Cristobal, I believe there are some coffee plantations and have been for, quite some time.

Q Well, did youhear any discussions where Mr.

Vesco expressed an interest in investing in coffee plantations?

1335A

A No. Not that I can recall.

Q How about airlines?

A Airlines I was interested in. There was only one airline in and out of Costa Rica, operated basically by the Pattinos. From what I gather, they have a very profitable operation down there. If you have an international banking type of setup, you have to have much better airline facilities than at the present.

Q But this was your area of interest?

A Well, I was interested in it, but I didn't get very far.

Q Did you discuss with Mr. Vesco any joint investments you might make?

A In Costa Rica?

Q Yes, sir.

A Not that I can recall.

Q Did you discuss with Mr. Vesco any joint investments you might make elsewhere?

A Let me just say something to you:

I am always looking for investments, and I always think I have a good investment, and I could be forever talking about making an investment in something.

It's my life blood.

Q Well, did you have any such discussions which actually resulted in investments? 1336A

A No, no. If you are talking about in Costa Rica, no.

Q No. I'm talking about outside of Costa Rica, with Mr. Vesco.

A No.

Q Now, do you recall whether on October 16, 1972, you traveled on the 707 with Mr. Vesco from Newark to Nassau?

A October the 16th?

Q Yes, sir.

A Yes; I did, according to the record.

Q What was the purpose of that trip?

A It could have been very easily pertaining to the Paradise Island, but I don't know.

Q And then, on October 17th, you returned?

A To Newark.

Q From Nassau to Newark, with Mr Vesco?

A Yes, sir.

Q But you don't recall what that trip was all about?

A Not specifically, no.

Q Do you recall whether on November 16, 1972, you traveled from Nassau to Newark with Mr. Vesco?

A Let me just take a look here. 1337A

Q On the 707?

A Yes. According to the record, I did.

Q Do you recall the purpose of that trip?

A I was probably just hithhiking on that trip. Nothing specifically.

Q Do you recall the last time you were involved in the Paradise Island negotiations towards the end of 1972?

A I had been constantly in touch with Mr. Crosby over the months, and, as you know, they terminated the deal when this lawsuit started between you gentlemen, the difference of opinion.

Q I am not sure, Mr. Pistell, if you fixed the date as to when you were last involved with the Paradise Island negotiations.

A I would say it was right through '73. The deal would be terminated when? When did you bring your lawsuit?

Q November 27, 1972.

A Is when you ---

Q But would it help you any if you recalled or

were informed that Resorts International issued a press release, I believe, in early April 1973, that there was no longer a prospect --

A Well, I didn't remember that press release, but the deal was still going on --

MR. FELDMAN: I don't think Mr. Kushner meant April '73.

MR. KUSHNER: As I understand it, there were two press releases. One was in April '72, and one was in April '73.

MR. FELDMAN: In this month?

MR. LIMAN: Your Honor, the witness doesn't recall.

A Let me help you out, if I may.

At one point the deal completely blew up, and then it came back alive. You follow me? Everyone walked out of the room. People were looking at this and that. Mr. Crosby thought at one point they weren't serious, but then the deal revived again towards the end of '72, and it just continued through the present difficulties that we all have.

Q Do you recall any of the last meetings you attended among the principals involved in the Paradise Island negotiations?

A A meeting of principals would have been the last meeting that I attended, would have been some time towards the end of 1972.

Q Do you recall where it was held?

A No; I don't know. I can't recall whether it was really in Paradise Island or the bank or where.

Q The bank that refers to where?

A The Commonwealth Bank.

Q Bahamas Commonwealth Bank?

A Yes.

Q Do you recall who was present?

A No. I can just remember at one point Mr. Crosby and Mr. Vesco meeting, and at that point that's the last meeting I attended.

Q What was the substance?

A The substance was, "Do you really intend to go forward with this type of thing?" and they were still negotiating on that $25 million of the security on the land.

Q And what was the answer?

A The answer was, they both tried to cooperate and work something out, but I had been through that for months, and at that point I took the attitude, if they succeed in the deal they do; if they don't, they don't.

Q Do you recall when that was?

A I would say towards the end of 1972. Maybe the beginning of '73.

Q Do you recall whether at some point in time this question of security was resolved?

A I can't tell you definitely, no.

Q Now, you said at some prior point this afternoon that Mr. Vesco wanted a place on the mainland rather than an island?

A That's on the banking end, on the banking complex.

Do you follow me?

Q Did he give you a reason for that?

A No. 1, I just felt that he thought as far as an international bank headquarters, it would be much better off on the mainland than it would on an island.

Q Did he tell you what this had to do with image?

A No, but when you look at it, you can see that Mr. Castro is on an island. I don't think you want to be in the banking business with him.

Q Well, England is also on an island.

A Excuse me?

Q England also is on an island.

1341A

A Well, it's a little bigger.

Q Do you recall the last visit you paid to Costa Rica?

A I would say, to the best of My recollection, that that was the last visit, when I came up with my children. I remember being there with Mr. Graze and his wife on one trip. Whether it was before or after this trip I can't tell you.

Q Which trip are you referring to now?

A The last trip, when we all came up from the opening of Mr. McAlpin's school.

Q Would the end of that trip be on July 8, 1972?

A Yes. That would be the one.

Q And you don't recall whether you were in Costa Rica after that time?

A No. I can't tell you if it was after that or before that.

Q But if it was after that, it would have been with Mr. Graze?

A I think it would have been with Mr. Graze, yes.

Q Did you discuss at any time with Mr. Vesco after your return on July 8th plans for Costa Rica?

A Constantly.

Q And these constant discussions concerned what



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plans?

1342A

A A move of an international banking place into Costa Rica. They had to do a complete study of the tax laws there, and I believe Mr. Cerny made that study or was helping to make that study, that there possibly may have to be ramifications to the existing law put through the legislation of the country.

I believe in the banking system of Costa Rica, by constitution, the only banks allowed are by the government, you follow me? There can be no private banks, such as making deposits and checks.

Q What other plans did Mr. Vesco discuss?

A He really didn't tell me in detail much more after that.

Q Did he discuss any mutual fund investments in Costa Rica?

A Not with me, no.

Q Did he --

A Remember, on my closing, I signed a release, as I testified to before, that anything further done in Costa Rica I had no claim on.

Q Mr. Pistell, is Exhibit 269 the release you are referring to? This is Exhibit 269 for identification.

A Right. That's the one. Right.

1343A

Q Is that your signature at the bottom of that paper?

A That is correct, sir.

Q Who asked You to sign it?

A I believe Mr. LeBlanc asked me to sign this.

Q Do you recall when?

A At the closing, when I got my check.

Q This is the $150,000 check?

A That is correct.

Q Did he tell you why you were to sign that?

A No, but let me just day that's very common practice to do: have a release on any deal pertaining to being paid a fee, to release the parties that are interested in doing the deal.

However, I must say that there were some other deals done, and I personally might have felt that I was entitled to something more.

Q What other deals are you referring to?

A Well, I don't know if there had been any or not. I can't tell you specifically if there were.

Q Who was present when Mr. LeBlanc asked you to sign the release?

A I think Mr. -- I can't really recall.

Q You don't recall?

1344A

A Joe Burke was there.

Q Do you recall anyone else?

A Not really.

Q Do you recall where?

A It was at the Commonwealth Bank.

Q Did you ask Mr. LeBlanc about any of these names names that are in the release, such as Trident Bank Ltd. and Inter-American Capital S.A.?

A No; I didn't.

Q Had you heard of those names before?

A No; I hadn't.

MR. FELDMAN: Are yougoing to offer that?

MR. KUSHNER: Your Honor, I thought that instead of offering these things piecemeal, at some point if I had a chance to discuss with counsel and find out which exhibits they have no doubts as to authenticity, we can simplify this.

MR. FELDMAN: There is no doubt as to the authenticity of any of them.

MR. KUSHNER: I am discussing Exhibits 259 for identification through 277 for identification.

MR. LIMAN: No question. There is some incompleteness, but we can cover that on cross.

MR. KUSHNER: If I said 277, your Honor, I

1345A

meant to include 278. That's one group of exhibits I will offer through Mr. Pistell. There is a second group that I will also introduce through him.

MR. FELDMAN: Which group are you talking about now?

MR. LIMAN: We were talking about all of them when we said there is no problem about authenticity.

MR. KUSHNER: I am talking about Exhibits 259 through 300.

MR. FELDMAN: I don't know if you mean to include 300. 300 is the flight log.

MR. KUSHNER: 299, then.

All right.

Well, in that event, your Honor, I will offer Exhibits 259 through 299 for identification in evidence at this point.

MR. FELDMAN: If your Honor please, I have no question as to authenticity. There is a question as to relevance of some of them and as to competence as to others, but we will reserve all those questions until cross-examination.

If your Honor wants to take them subject to later connection, I would have no objection.

THE COURT: All right. If there are any in

the group, of course, which ought to be dealt with now, we can do so. If it is equally agreeable to confer on that --

MR. FELDMAN: Well, for instance, your Honor, there are some documents in the group that refer to transactions that never took place, that are not complained of, where there are clearly questions as to relevance.

MR. KUSHNER: Your Honor, Mr. Feldman is referring to a specific, particular transaction, which I intend to inquire about, that wasn't in the complaint, because although we had subpoenaed documents from Mr. Pistell, we didn't get these particular documents during the investigation.

MR. FELDMAN: It wasn't in the complaint.

MR. KUSHNER: And we couldn't possibly put it in the complaint. The transaction involves a $3 million loan to Vencap or purchase of preference shares in Vencap.

MR. FELDMAN: That is not the transaction.

MR. KUSHNER: Excuse me for a moment.

By ITT, which isn't in the complaint, but around the same period of time there is an agreement by Vencap -- this is Mr. Pistell's company -- to purchase the shares of a certain insurance company from IOS

Insurance Holdings, which is a wholly-owned subsidiary of IOS.

So that what you have is money going out to a company which in part is going to be used to purchase assets from the manager of the mutual fund.

MR. LIMAN: Your Honor, subject to the competency of some to be dealt with on cross-examination, I have no objection. I think we will move the trial faster if he puts in these, and those that he decides he doesn't want to cover, we will cover. There are some that are incomplete. We can cover that on cross, and I think it will be more efficient, more in the spirit that your Honor asked us to act in to do it this way.

MR. FELDMAN: I only reserve with respect to documents relating to further transactions with IOS Insurance Holdings. It is a transaction not complained of, and that never happened. It was a contemplated transaction as of October 1972, that never occurred and is not discussed in the complaint. I don't know of what importance it is here. We have enough with the transactions in the complaint.

THE COURT: All right.

I will receive 259 through 299. This is subject to the reservations that have just been made.

(Plaintiff's Exhibits 259 through 299 for identification were received in evidence.)

Q Mr. Pistell, do you recall the first time you got the ideaw of forming Vencap?

A Let me just say to you, Counselor, that over the months of my visits to London, Mr. Graze had asked me to come in and take a look at the many investments that had been made by the previous management. These were all what I call work-out situations, work-out situations to where basically there was no cash flow to work them out with. They were strictly, from what I could see when I reviewed a great many of them, liquidations.

I would say there were tens of millions of dollars of these from the corn field management days.

He was really looking for help, for someone to try to work out, whether it was real estate hotels -- I think in one hotel they built one with 3000 rooms or 5000 rooms or something. At one point, even, Mr. Graze asked me if I would be interested in coming and helping him in London to run part of the funds and invest the funds in special situations that I have done over the years. I said that I would not be interested in that. However, if they would like to, on favorable terms to both parties, invest in a company where I had a chance to make a capital

gain, I would be interested in handling a certain amount, and not a lot, because it takes a great deal of work. It's harder to handle a million or two million or three million in a special situation than it is to handle $25 million or $50 million.

You can pick up the Wall Street Journal every day and read about Celanese or Canada writing off $100 million, these big companies, but when you go into a special situation you have to watch it by the million.

And I said I would be interested in anywhere from two million to five million dollars. If they would like to invest, that I would pay the money back through Venture Capital, at which point I would keep 70 per cent of the equity, and they would retain 30 per cent of the equity.

Mr. Graze said he would let me know about it, and in a period of, I would say, 30 to 60 days, he said, "We have met with our people, and we would like to go on $3 million on that principle with you," at which point we went ahead and did the deal.

T7 2 Q When did he tell you that?

3 A I would say it was in the July -- June,
4 July, August area, in there.

5 Q Did he tell you whom he had met with?

6 A No.

7 Q Did you present him with any written proposal?

8 A No. I think -- yes, we formed a company,
9 and I did send Mr. Crane a proposal of the outline of
10 the company. My attorneys did.

11 Q Pardon me?

12 A My attorneys sent him an outline of the proposal.

13 Q Do you recall whether that outline is
14 Exhibit 278? Do you have the exhibits before you?

15 A You have all my exhibits.

16 Q Let me give you a complete set.

17 A I don't have anything.

18 278?

19 Q Yes, sir.

20 A Okay. Yes. Let me just review this, if I may.
21 Yes, this was the original contemplation, and
22 as you can see, it was for basically a specific investment
23 at this time.

24 Q Did you write this document, Exhibit 278?

25 A No, I didn't writ it. Probably Charlie Murphy

or Mr. Taylor wrote it. 1351A

MR. LIMAN: Can we have an identification as to who Charlie Murphy and Mr. Taylor are?

THE WITNESS: They are attorneys with the firm of Havens, Wandless, Stitt & Tiegh, attorneys in my behalf.

Q Did you provide any of the substance that went into this memorandum?

A Yes, I did.

Q Did you do this orally or in writing?

A No. There is a very thick study and a very detailed study on the proposed financing here for Outer Island Airlines, which I believe you have a copy of. It was very detailed, took many months to put together.

Q That is the airline which goes unnamed in this memorandum, I take it?

A No, no. You have a complete feasibility --

Q Mr. Pistell, I am trying to correlate --

A I see. Yes.

Q -- the airline with the memorandum, which is Exhibit 278.

A Right.

MR. LIMAN: Can I call upon the SEC to produce the feasibility study?

MR. KUSHNER: Your Honor, I am not aware that we do have this. I don't recall having read it. Mr. Lanzoti is not sure whether he requested this or not. However, to shortcut matters, can you bring this with you tomorrow, Mr. Pistell?

THE WITNESS: I asked Dave Taylor and he thought you had my only copy. It's a very thick brown bound-- look, we can get another copy, you know. It may take a day or two, but we can get one. I am sure they will have one, youknow, somewhere.

MR. KUSHNER: Your Honor, I haven't read such a report. I can shortcut it after court. I have a folder with the documents --

THE WITNESS: I made it up in the Bahamas and I thought we had a copy here.

MR. KUSHNER: -- of the documents we obtained from Mr. Pistell which we didn't mark, so that we can easily see whether thestudy is in there after court.

THE COURT: All right. I think it would be useful if you can get it to defense counsel this evening so that if we reach the cross examination point tomorrow they will have had a chance to see it.

MR. KUSHNER: Mr. Pistell, could you possibly get that to defense counsel this evening?

THE WITNESS: If there is one here, we will have it to them tonight, you know.

If I may, if you will excuse me. 1353A

(Discussion off the record.)

BY MR. KUSHNER:

Q Mr. Pistell, aside from this airline information, did you give your attorneys any other information which they put into this memorandum that is Exhibit 278?

A Well, I more or less worked out the basic agreement here, yes.

Q The question is which parts of this memorandum can you claim credit for.

MR. LIMAN: Objection. What is the relevance of that, your Honor? It's a memorandum which he submitted to Mr. Graze, I imagine.

Did you submit this to Graze?

THE WITNESS: We mailed this to London.

MR. LIMAN: What is the difference whether he wrote a paragraph, whether his attorneys wrote a paragraph?

THE COURT: I don't see any difference.

Q Do you recall when you mailed this to London?

A No, I can't recall the specific date we mailed it to London, no.

Q Was there anything else in writing you submitted to Mr. Graze prior to the actual agreements?

A I think -- I can't recall specifically, no.

13544

Q How many discussions did you have with Mr. Graze before the agreement under which Vencap received $3,000,000 was concluded?

A We had quite a few discussions in London, after I looked over the various holdings of the portfolios and we had discussions over many weeks, I would say, you know.

Q During any of these discussions did Mr. Graze ask your opinion of a $60,000,000 investment in a Costa Rican company?

A No.

Q Did he ask your opinion about a $20,000,000 investment in a company called Global Holdings?

A No.

Q Did he ask your opinion about investments in a company clled Security Capital Limited?

A No.

Q Did he discuss with you any prospective investments by Vencap in assets which Vencap would purchase from IOS insurance holdings?

A No. I discussed with him, though, one that

they had, which was the Irco deal, the insurance company that they had, which is a reinsurance company. I have spent a great deal of time in my life in the insurance company business, and they had a shell company they were selling off the insurance business in it, but yet licensed in the Bahamas as an insurance company, non-resident insurance company, and one of the things I have been very interested in establishing is a re-insurance company in the Bahamas or in Bermuda.

Q What does Irco stand for?

A If you will give me the memorandum, I will read it to you.

Q It's among the exhibits.

A Yes. Can you tell me which one though?

THE COURT: Can you refresh his recollection by telling him?

MR. KUSHNER: Yes, of course.

Q Would it help to examine Exhibit 270, the first page?

A Yes. Let me just see here. The International Reinsurance Company Limited.

Q How did this company first come to your attention?

A Well, I had heard in London that they had a

reinsurance company that they were going to more or less liquidate, sell off a lot of the insurance portfolio, that it was licensed in the Bahamas and it was in the reinsurance business, and I said I would be very interested in buying it, expressly looking forward to changing the format to getting in with a Lloyd's of London group in the shipping reinsurance business.

THE COURT: Mr. Kushner, I think before you get into this any further we might adjourn at this time.

Mr. Pistell, what are your plans? Do I understand that you want to be on an airplane tomorrow night?

THE WITNESS: Well, I would like to get away back to Canada at some point because I have a very large program going on, but I would like to also stay here to get the job done for all of you people.

THE COURT: I suspect it may take us into next week.

THE WITNESS: Well, I will be here until we get the thing done.

THE COURT: All right. We will adjourn until 10 o'clock tomorrow morning.

I would like to see Mr. Kushner and Mr. Feldmnn in the robing room for just a moment.

(Adjourned to 10 A.M., April 13, 1973.)

1357A

WITNESS INDEX

| Name | Direct | Cross | Redirect | Recross |
|---|---|---|---|---|
| Richard Pistell | 2191 | | | |

EXHIBIT INDEX

| Plaintiff | Identification | Evidence |
|---|---|---|
| 243 through 253 | | 2189 |

jms



SECURITIES AND EXCHANGE COMMISSION

vs. 72 Civ. 5001

ROBERT L. VESCO, et al.

---

New York, April 13, 1973;
10.15 o'clock a.m.

(Hearing resumed.)

* * *

THE COURT: Good morning.

MR. JACOB: Good morning, your Honor. If I may, I would like to sort of pick up from where we left off last night and clarify our position with respect to the proposed order of the Commission for a preliminary injunction and temporary receiver with respect to the defaulting defendants involved in the proposed order.

As we see it, your Honor, nobody with standing to oppose our application appeared to be heard in opposition of it. Nonetheless, your Honor is inclined to deny the relief we seek.

The order we proposed and the affidavit underlying it of Alan Blank are a part of the record in this proceeding and if there is any question about that, your Honor, we will file it with the Clerk today.

MR. KUSHNER: Your Honor, we exchanged briefs, I don't know what reply is necessary--

THE COURT: I don't think there is any need for reply.

MR. FELDMAN: Reply, comment or oral argument.

THE COURT: Yes.

(Discussion off the record.)

1359A

R I C H A R D P I S T E L L, resumed.

MR. KUSHNER: Does your Honor have the exhibits which I handed up yesterday? Shall I get up another set?

THE COURT: Yes, I have them.

DIRECT EXAMINATION CONTINUED

BY MR. KUSHNER:

Q Mr. Pistell, right before closing yesterday-- and I am referring to the bottom of pages 2263 and the top of 2264 -- you testified that you learned that they had a reinsurance company and that they were selling off the insurance business in it but that the company was licensed in the Bahamas as an insurance company. Who is they?

A My understanding of it is that IOS and the IOS companies -- that there was a reinsurance company that was licensed in the Bahamas.

Q Whom did you learn it from? 1360A

A When I was looking on one of my trips to London.

Q Do you recallwho told you?

A It could have been Mr. Graze, but I am not sure of that fact.

Q Do you recall when he told you?

A It was on one of my trips to London, when I was going over the list of many, many of the companies that they had in the portfolio.

Q Incidentally, did you ever get paid for your services in going over these companies in the portfolio?

A No. I was doing that on my own.

Q At Mr. Graze's request?

A At Mr. Graze's request and at my request.

Q Did you tell him the reason for your request?

A Well, my request is always if there is an opportunity in a company that needs help or was an opportunity that new management can come along and do a better job or turn it around. That has been my whole past and my history.

Q Would you have brought the new management?

A Into a company?

Q Yes, sir.

A If there was a company that I took over? I brought new management in many times in companies, yes.

Q Did Mr. Graze tell you who the insurance portfolio was to be sold to?

A No, not --

MR. ELLENOFF: Objection, your Honor. There has been no yestimony that Mr. Graze divulged or asked or requested him with regard to the insurance company.

THE COURT: Mr. Ellenoff, the witness began his answer with "No".

THE WITNESS: Excuse me.

THE COURT: I guess his answer was "No".

Q Was there some special reason that you wanted a reinsurance business licensed in the Bahamas?

A Yes, there was a special reason. I have been very interested in the insurance field over the past four or five years. As a matter of fact, my first job was in a life insurance company business, and in the past two or three years I have taken one company and redeployed its assets into the general life insurance casualty type of insurance business, plus --

MR. LIMAN: Can you give us the name of that company?

THE WITNESS: Excuse me.

1362A

MR. LIMAN: Never mind.

A Plus with contacts that I have, I felt that I could take a company with a license and put a great deal of business through it.

Q Mr. Pistell, this license, was it a Bahamian license that you were interested in?

A It is a Bahamian license to do insurance business, but not as such in the Bahamas itself. It was a license to have a reinsurance company, but not to actually sell policies as such in the Bahamas. But I was looking forward to, if the deal had been concluded, getting a general license in the Bahamas.

Q I think my first question was why in the Bahamas.

A Well, No. 1, with the affiliations and people that I know there, I felt that I could get a great deal of business into a general brokerage business type of business beside the reinsurance business.

MR. FELDMAN: If your Honor please, I would object at this point to any further testimony along the discussion of insurance business. There is no allegation in the complaint of any transaction involving Mr. Pistell or an insurance company owned by IOS. This contemplated transaction that he may or may not

have discussed with Mr. Graze or others is not a subject of the complaint, firstly.

Secondly, it's my understanding that it was a mere discussion, a contemplated transaction which never closed, and I really don't know why we have to go into it. I could sit here and say let the SEC talk about transactions that never happened until May 4th, but I really don't think that we should be burdened with this in the record.

I press the objection.

MR. KUSHNER: Shall I respond, your Honor?

THE COURT: Yes, please.

MR. KUSHNER: Your Honor, I think a very appropriate response starts with Exhibit 260, which is minutes of a directors meeting of Vencap occurring on August 29, 1972.

On page 1 there is a resolution of the Vencap directors authorizing the company to raise the sum of $3 million by the creation and issue of redeemable preference shares and also resolving that the company purchase from International Investment Trust all of the issued shares comprising 1,000,700 shares in International Reinsurance Company Limited. Then it goes on to set forth the purchase price, which includes $700,000 cash

and notes. 1364A

The mention of International Investment Trust as owning this stock was a misnomer or misunderstanding. IOS owned the stock of this insurance company. It clearly appears from this document alone that the two plans were linked and that the $3 million which Vencap eventually did receive from International Investment Trust, one of the Dollar Funds, was in part earmarked for the purchase from IOS of the stock of this insurance company.

MR. FELDMAN: If your Honor please, --

THE COURT: I think, Mr. Feldman, I understand your point.

You haven't convinced me, Mr. Kushner, but go ahead.

BY MR. KUSHNER:

Q Mr. Pistell, if you refer to Exhibit 259, it indicates that there was a first general meeting of Vencap on July 4, 1972, and if you refer to the last page of that exhibit, it indicates that the company was registered in the Bahamas also on July 4, 1972.

Do you recall whether as of July 4, 1972 you had had any discussion with Mr. Graze about whether one of the IOS entities would invest in Vencap?

A Yes. We had been talking about that over quite

a period of time. 1305A

Q As a result of these discussions as of July 4, 1972 was there any oral understanding of any sort?

A Well, I can't specifically tell you the date, but we did have an understanding that Vencap would be formed and Vencap -- my contemplated airline deal was the deal that was the first deal under consideration.

MR. LIMAN: Can we find out who the "we" is?

THE WITNESS: Excuse me.

MR. LIMAN: "We had an understanding" you started to say.

THE WITNESS: I see.

MR. LIMAN: Can it read back to the witness?

(Answer read.)

A Right.

Q Mr. Liman asked who "we" was.

A When I say "we", I was talking specifically -- I had discussions with my attorneys about it, forming the company in the Bahamas for a general line of investments, but the first investment that I had been contemplating was the investment into Outer Island Airlines.

Q Was this an investment that you had discussed with Mr. Graze prior to July 4, 1972?

A I discussed that I was looking at financing

1306A

Outer Island Airlines, yes.

Q Had you and Mr. Graze discussed who would make the investment in Vencap prior to July 4?

A Not that I can specifically remember, no.

Q Had you and Mr. Graze discussed the amount of the investment?

A I would imagine so, but I can't remember that specifically, no.

Q Had you and Mr. Graze discussed the form that the investment would take?

A No. I left that more for the attorneys, let them talk it over and work it out, whateverthey wanted to do.

Q Which attorneys are you referring to?

A My own attorneys.

Q Who were the shareholders of Vencap when it was formed?

A Armoury deRiencourt and myself were the main stockholders, and then, as you see, the list of stockholders on the list are shareholders of Carson, Lawson, the law firm in the Bahamas.

Q You are referring now to the next to last page of Exhibit 259, are you not?

A Let me just take a look.

1367A

That is correct, sir.

Q These people listed on the next to the last page of Exhibit 259 held qualifying shares?

A That is correct.

Q Who held the balance of the stock of Vencap?

A Myself and Mr. deRiencourt.

Q How many shares did each of you hold?

A I haven't got the figures on my list here, the exact figures, the shares breakdown of Mr. deRiencourt and myself.

Have you got it on your list?

MR. LIMAN: He has an attorney here that might be able to give it.

Q I think there is a document that may help you.

A I am sure.

Q Why don't you look at Plaintiff's Exhibit 272 and see if that refreshes your memory.

A Yes.

Q How many shares did each of you hold?

THE COURT: Do you remember, Mr. Pistell?

THE WITNESS: No. I am just looking at this. Roughly, I remember it was 50-50, but it's evidently 2000-2001 here.

THE COURT: Can you consult with your counsel

off the record for a moment? 1368A

THE WITNESS: Yes, sure.

(Discussion off the record.)

A It's 2000 in the name of Mr. deRiencourt, slightly less in my name, and the rest were -- the balance were qualifying shares.

Q Do you recall how much money you and Mr. deRiencourt paid for these shares?

A Well, No. 1, on the start up of the corporation I put, in the original account, I believe $100,000, which a certain amount, I believe, 20 to $25,000, was left in against the subscription price of the company for start up costs, and Mr. deRiencourt, as it says here, $7000 U.S., a note, and a check for $2000.

Q Let's go back a moment.

You referred to putting $100,000 in at the start up of Vencap?

A Right.

Q Is that the finder's fee that we were discussing yesterday?

A That is correct.

Q For San Cristobal?

A That is correct.

Q You referred to leaving $25,000 in?

A I believe for the start up costs and everything it was approximately 20, $25,000 left in, yes.. 1369A

Q How much of that was for the purchase of your stock in Vencap and how much was for, for example, a loan from you to Vencap?

A Excuse me?

Q Was all this treated as share capital?

A Well, as a contribution, you know, as far as that's concerned, yes.

Q The amount you say is 20 to $25,000?

A As I remember, it was 20 to $25,000, yes. I mean, whether it says we paid a dollar a share here, whatever it is, that's just the amount of the payment of shares, because to start a corporation up there are quite a few costs, as you know.

Q Aside from this amount you have mentioned of 20 to $25,000, did you ever invest any other moneys in Vencap?

A Did I personally?

Q Yes, sir.

A Well, I imagine I put a lot of money out for things at times, yes, to start the company up. But as far as the actual share purchase, it's exactly as it said it was here. I mean, I have gone out to form corporations and

1370A

spent thousands of dollars and eventually ended up when the capitalization was formed of taking a thousand shares down for a dollar, you know.

Q Would the balance be a loan from you to the company?

A No. Just start up, you know.

Q Incidentally, are there any financial statements for Vencap available?

A No, but there could be. We have an accountant and we can have statements prepared.

Q When you referred to Exhibit 272 as furnishing the amount Mr. deRiencourt paid for his stock --

A Yes.

Q I would like you to read that closely, because it may well be that you will not be helped in your memory.

MR. LIMAN: Does his attorney know how much he paid for it, your Honor?

It seems to me this is the slow way of getting things.

MR. KUSHNER: That is fine, your Honor.

A It says -- I may be wrong, but it says a check for $2000 and a note, a promissory note for $5000.

Q Yes, but this is what you are paying Mr. deRiencourt for his stock, isn't it?

A I see. Yes. I thought this was -- the paper you were referring to was the original purchase price. I am sorry.

MR. LIMAN: Your Honor, I have no objection to having the attorney for the company, who happens to represent him here, who knows the facts, putting them on the record. It will move this along much faster than this procedure of asking the man how much were the subscription costs.

MR. FELDMAN: Your Honor, that may well be, but on the other hand, I don't know why we are getting into the question of Mr. Pistell's personal transaction with Mr. deRiencourt in January of 1973 by which he bought back Mr. deRiencourt's stock.

THE COURT: Is all you are trying to show, Mr. Kushner, that Mr. Pistell bought Mr. deRiencourt out?

MR. KUSHNER: I haven't gotten to that, your Honor. All I am trying to show now is that the company was formed with a thin capital. If Mr. Feldman says that is not in the complaint then I will be surprised.

THE COURT: I don't think he is going to say it. Haven't you already shown what you want to show?

MR. KUSHNER: If Mr. Pistell could just ask his attorney off the record, if that will help him --

1372A

THE COURT: All right.

A What do you want me to ask him?

Q How much Mr. deRiencourt paid for his Vencap stock.

(Discussion off the record.)

A According to counsel, he bought 2000 shares of stock at a dollar, which was dollar par.

THE COURT: A dollar a share?

THE WITNESS: Right.

Q Does that help refresh your memory?

A That helps refresh my memory. And I might add, if I may, there have been other cases where many a time I formed a company and to get the man or get the management or get a partner I have often sold stock at a dollar a share on a private basis, regardless of what the assets or whatever. You see many companies pay many executives a million dollars a year in salaries and tax benefits to get them on board and on a team.

Q Mr. Pistell, referring to Exhibit 260, which are minutes of a Vencap board meeting of August 29, 1972, page of the minutes has a directors resolution authorizing the issuance by Vencap of redeemable preference shares for $3 million and a purchase by Vencap of 1,700,000 shares of stock of International Reinsurance Company,

Limited. 1373A

Do you recall whether as of August 29, 1972, the date of this meeting in Exhibit 260, these transactions had been agreed upon between Vencap and any other company?

A If I may review this for you, No. 1, the reason the dates of this meeting and this are the same was very clearly understood, that any negotiations, options, whatever there was, had to take place offshore and in the Bahamas, and I believe that the people concerned with this transaction were going to be in the Bahamas at this time. This deal had been discussed and talked about.

If you will look at the papers of Vencap you will see this was not an agreement, but an option on our part. In other words, we were not bound by any agreement, but had an option to take a look at this deal, and if it checked out, to then proceed.

Q Mr. Pistell, let me ask you first, you referred to the people concerned with this transaction being in the Bahamas.

A Right.

Q Who were the people concerned?

A Dr. Meissner, I believe, was one of the people concerned in this deal, thathad to sign on behalf of Irco.

Q Yes, but, Mr. Pistell, aren't you jumping ahead? August 29, 1972, the date of this Vencap directors meeting, wasn't a date when anything was signed by Dr. Meissner, was it?

A No, but there were other people concerned coming from France or Switzerland or whatever it was that were in the Irco Company that were going to be in the Bahamas at this time, at which point we were starting our negotiations.

Q You were starting your negotiations when?

A I would say as of this date of this resolution.

Q August 29, 1972?

A Probably, by the looks of it, yes.

Q Who were you negotiating with?

A No. 1, there was a gentleman -- we talked to Mr. LeBlanc about this transaction and I believe --

Q Which is this transaction?

A This transaction is Irco. Let's refer to it as Irco, International Reinsurance Company.

Q Who else?

A I believe there were two gentlemen from some place in I believe it was France that were affiliated with the company and going to assemble the information so that we could look at the transaction. In other words, they

were then in the process of selling off the reinsurance treaties that were in this company.

There were certain assets that were going to be left. There were mortgages, which a lot of them I think were in London, there were -- beside the license -- mortgages, cash, and there were inter-company notes. Some of the notes bore interest and some of them did not bear interest. We basically traded a deal here in the beginning of book value for book value. I think we were putting down $700,000 cash and there was supposed to be -- I forget -- X amount of cash in the company.

Q $900,000, wasn't it?

A 900, right. We were supposed to be buying mortgages.

However, when you say cash, as they sold off the reinsurance packages there was a certain amount of cash that had to be left in the companies for two and three-year periods while all these policies ran out, if you follow what I mean. In other words, it was not all cash, but it looked like cash.

Q Mr. Pistell, let's go back. Did you discuss with Mr. LeBlanc this Irco transaction on August 29, 1972?

A I might have. I am not sure.

Q Had there been any agreement that you can recall

as to this Irco transaction prior to August 29, 1972?

A No, there hadn't been. There had been an agreement to look, an agreement that we would have an option, and if it checked out, everything would go in escrow, at which point we had the right to take a look at all the assets that were being put in escrow.

Q Mr. Pistell, I don't want to take time now, but over the luncheon recess would you please examine the documents that have been marked as exhibits and have been given to you and pick out the agreements, if any, which you view as giving you an option, which you have been talking about?

A It's spelled out in the exhibits.

Q Fine. Then there will be no trouble.

A My attorneys said we could not do the transaction without everything going into escrow.

MR. LIMAN: Your Honor, in answer to one of the questions he said, "We had an agreement to look, we had an agreement to do this and that."

Can he be asked, while it's fresh in everybody's mind, with whom he had this agreement? I know Mr. Kushner asked him and then he got sidetracked because the answer moved into other areas.

Q I will be glad to have you answer the question,

if you can, Mr. Pistell.

A The question is with the gentlemen that were in the Bahamas at the time representing the company.

Q Who were they?

A I will refresh my recollection over lunch with my attorneys, if I may.

Q At the present time you have no recollection?

A Not specifically, no. But there were other people there.

Q Was Mr. LeBlanc one of these people?

A No, not specifically on this deal. He was there in the Bahamas, but there were two gentlemen there from Europe.

Q I take it your best recollection at the moment is that you can't recall?

A No. There were two specific gentlemen there. I just can't recall the names at the moment.

Q If you will examine Exhibit 261, Mr. Pistell, the minutes of a shareholders meeting of Vencap held on August 31, 1972, page 1 reflects that the capital of Vencap was increased by 5000 ordinary shares and 30,000 redeemable preferred shares.

A Right.

Q Are ordinary shares common stock?

A Ordinary shares are common stock.

Q Do you recall the reason for the increase in the common stock?

A I know they had an option on an additional $3 million worth of preferred stock.

THE COURT: By "they" you mean?

THE WITNESS: I cannot tell you. The fund, the fund that purchased the 3 million.

Q Is that International Investment Trust?

A Right.

THE COURT: One thing, if I may interrupt for a moment. I thought you said, Mr. Kushner -- and I have been puzzling about it since -- that where it referred to International Investment Trust it should have said IOS.

MR. KUSHNER: Yes, your Honor.

THE COURT: On 260?

MR. KUSHNER: 260, the second paragraph of the resolved clause.

THE COURT: Now you are talking about IIT though?

MR. KUSHNER: Yes. I think I can explain it simply, your Honor.

In the first paragraph of that resolved clause

IIT is the purchaser of those preference shares.

THE WITNESS: Right.

MR. KUSHNER: In the second paragraph IOS Insurance Holdings, a wholly-owned subsidiary -- no, it wasn't wholly-owned -- a majority owned --

THE COURT: I don't see that.

MR. KUSHNER: You don't see it because it should be inserted in place of International Investment Trust.

T6

MR. FELDMAN: If your Honor please, Mr. Kushner is a fine advocate, but I don't know that I want to rely on him to redraft corporate documents.

MR. KUSHNER: Your Honor, Mr. Feldman cannot dispute the contract, which is Exhibit 263.

MR. LIMAN: Mr. Kushner is correct that the contract recites that the owner was IOS Limited, and again, Mr. Pistell's attorney is here, and if we can agree on some of these things, we can agree on them without your Honor's time being taken.

MR. KUSHNER: Your Honor, I purposely didn't ask Mr. Pistell about this, because I thought it would be a waste of time.

THE COURT: That is correct. I am afraid I have been wasting your time.

All right. I think this is a good time to break for lunch, until 2 o'clock.

(Recess to 2 P.M.)

AFTERNOON SESSION

2 P.M.

R I C H A R D  P I S T E L L, resumed.

DIRECT EXAMINATION CONTINUED

1381A

BY MR. KUSHNER:

Q Mr. Pistell, before lunch I believe you testified that the financial statements of Vencap could be made available by your accountants; is that correct?

A That is correct.

Q Are there presently financial statements for Vencap?

A No; there are not.

Q Now, over lunchtime have you had a chance to examine which of the exhibits if any are relevant to your statement that you had an option regarding the IRCO shares?

A Yes. That is --

Q Rather than give me argument, if you can just point out the exhibit number, the paragraph number --

A Exhibit 263, paragraph 4(c).

Q All right. Are there any other exhibits that relate to your statement that you had an option?

A No. This is the specific one I was talking about.

Q I don't intend to dwell on this --

A Sure.

Q I just wanted to have the clause, and that's all we need.



MR. LIMAN: Do you have a copy, your Honor?

THE COURT: Yes.

Q (Continuing) All right. Also, before lunch, I asked you what the reason was for the increase in the ordinary shares of Vencap from 5,000 to 10,000 at the August 31, 1972, meeting. What was that reason?

A As far as that's concerned, the only increase that I can remember is the additional warrant for the 3,000,000 preferred shares. I could not give you a specific reason on the increase at this time on the common shares.

THE WITNESS: May I refer to counsel off the record?

(Discussion off the record.)

b2 THE COURT: Why don't you say, Mr. Pistell, on the record what you have said off the record?

THE WITNESS: I was told by counsel that it was at the request of Willkie Farr, the increase of the capitalization. I noticed it when I read it, and we approved the minutes here.

Q Do you have any independent recollection of this?

A I myself have no personal independent remembrance

of it.

Q Now, please examine Exhibit 296. 1382A

A 296. Yes.

Q You will note that that is dated August 29, 1972. Do you know whose signature appears at the bottom?

A That's my signature.

Q And are you able to identify the other signature?

A That's Dr. Meissner.

Q Now, how did this agreement by Vencap to buy 500,000 shares of Chibex Mining Corporation at a dollar a share originate?

A Well, at one point -- and if I may add, this never happened -- what happened was that the Chibex stock -- there was an article in the Northern Miner about it, and it ran up to a dollar ten or a dollar twenty, and as a matter of fact, it was Mr. Graze said that he would like to sell some stock, so the fund could show a profit on it, at which point I said, "Any time you want to sell it, I will be more than happy to buy it" -- buy it for Vencap, because I believe that if the gold shares are going higher than the stock, I wouldn't do it. It would just sit in the fund. The point is, this never happened.

Q I show you this letter, which I inadvertently failed to mark --

MR. LIMAN: No. You marked it as part of 2343 another exhibit, Mr. Kushner. It was attached to the financial statement of Conservative Capital, and that is Exhibit 298. See if it is attached to yours.

MR. KUSHNER: Yes. I am happy to be told that.

MR. LIMAN: The last page.

Q This is the last page of Exhibit 298.

A Yes.

Q Do you recognize the signature for Conservative Capital there?

A Yes.

Q And is that yours?

A That is correct.

THE COURT: This is a letter from Ethyl F. Propp to Conservative Capital, dated August 29th?

MR. KUSHNER: Yes, your Honor.

THE COURT: What number is it now?

MR. KUSHNER: It still is the last page--

THE COURT: Is it going to stay there?

MR. KUSHNER: -- of Exhibit 298. I think we ought to mark it as Exhibit 298A for identification.

Q As of this point in time, August 29, 1972, did Vencap have the funds to purchase these 500 shares of Chibex at a dollar a share?

MR. FELDMAN: 500,000 shares.

Q (Continuing) 500,000 shares, yes.

A What date was this?

Q August 29, 1972.

A Did they have the funds? Let me --

MR. FELDMAN: Excuse me. May the question be read back, please?

A (Continuing) I don't know if they had the money in the bank at that time, but I could have arranged to have the money in the bank at that time.

Q Was there a discussion between you and Mr. Glaze or anyone else at IOS about Vencap using part of the proposed investment by one of the IOS funds to purchase these 500,000 shares of Chibex?

A No. I don't believe there was.

Q There was no discussion at all along these lines?

A Well, there could have been. You mean, as far as one or the other of the funds buying the shares?

Q No, no. What I am asking you, Mr. Pistell, is this, and it will help if you look at Exhibit 260.

A 260.

Q We reviewed this this morning. Exhibit 260--

A Do you want to hold it? I have 260. All right.

Q Exhibit 260 consists of the directors' minutes

of Vencap, the meeting on August 29, 1972.

1386A

A Right.

Q The same date as this agreement to purchase the Chibex shares?

A Right.

Q Entered into by Vencap?

A Right.

Q Exhibit 260 has a resolution which authorizes the creation and issue of $3,000,000 redeemable preference shares.

A Right.

Q What I am asking you is whether this resolution or the plan in the resolution is connected in any way with the funds which Vencap would use to purchase the Chibex shares.

A They could have been, yes.

Q My question is was it.

A Well, I don't know. Let me tell you that I was going to go ahead with Vencap on my own one way or the other, with or without the funds.

Q As of August 29, 1972 did you have a commitment from IOS to invest $3 million in Vencap?

A I would say I did have a moral commitment and an understanding, yes.

MR. FELDMAN: From IOS?

THE WITNESS: Well, I don't know IOS, but in philosophy, with Mr. Graze, yes.

Q How did he express this?

A He said that we were going to go forward. I told him that I was going to go ahead and set up a Venture capital firm on my own, and he expressed the desire to invest in it.

Q Did he say who would invest in it?

A Not specifically, no.

Q Incidentally, were you present when Mr. Meissner

signed Exhibits 296 and 298-A?

A Yes, I was. That's my signature.

Q Where was it signed?

A I would guess Nassau, Bahamas.

Q Is that a guess or --

A No. It says Nassau, Bahamas on top.

Q Do you recall where in Nassau this was signed?

A No, I can't really recall the specific place.

MR. FELDMAN: If your Honor please, I again must, at least for the sake of the record, point out that while the transaction between FOF Prop and Conservative Capital concerning Chibex is referred to in the complaint, the transaction by which FOF Prop then allegedly exercised its option or did exercise its option, then sold the optioned stock or the purchased stock to Vencap, which did not take place, although documented, and was then rescinded by agreement of the parties, is not referred to in the complaint, and again it's another transaction which never occurred.

We are just going far afield. I am going to have to spend considerable time on cross-examination because I think Mr. Kushner has difficulty with the witness in understanding the transaction, I am going to have to spend considerable time on cross-examination, as

1389A

Mr. Grand did with Mr. Cassel, to make clear a transaction that is not referred to in the complaint and never happened. It's just more Alice in Wonderland, your Honor. I think we are going very far afield.

MR. KUSHNER: Your Honor, Mr. Feldman is supplying testimony that hasn't been furnished up to now. It suggests a very simple question to Mr. Pistell.

Q Take a look at Exhibit 296.

A I have it right here.

Q This agreement by Vencap to purchase 500 000 shares of Chibex at $1 a share, was this agreement ever rescinded?

A It was never done.

Q Was it ever rescinded?

A By that, I just told them I thought they were foolish if they sold their stock at this point, and they never did it.

Q Mr. Pistell, I don't mean --

A You mean in so far as rescinded in writing?

Q Yes, sir.

A I don't know, because I don't handle those things.

Q I don't mean to prolong this. The exhibit, which is the agreement, Exhibit 296, says that:

"The closing for such purchase for Chibex shares" -- I am interlining "for Chibex shares" -- "shall occur upon such date designated in writing by you," which refers to FOF Proprietary Funds, "to us upon three days written notice."

1390A

It takes a notice from FOF Proprietary to trigger the closing.

A I see what you are getting at perfectly well.

(Discussion off the record.)

A There is no recision in writing.

MR. KUSHNER: Unless Mr. Feldman wants to continue his objection, I will go on to other areas, your Honor.

THE COURT: No. I will overrule the objection, in that event.

Q Please examine Exhibit 262 for identification, the letter agreement of September 29, 1972 between IIT Management Company in behalf of IIT and Vencap.

Can you identify the signatures on page 2?

A Yes, I can. That's my signature.

Q Do you recognize the other signature?

A Dr. Meissner's signature. It looks familiar as Dr. Meissner's signature.

Q Were you present when he signed it?

A I believe I was.

Q Where did he sign it? 1391A

A In Nassau, Bahamas.

Q Was anyone else present beside you and Mr. Meissner?

A I am sure our attorney, but I can't specifically remember. I can't really specifically remember sitting there and signing this at the time with Dr. Meissner, but I must have because my signature is on it.

Q Do you know who drafted this letter agreement?

A I would probably imagine that -- I don't know who drafted this agreement, no.

Q The first sentence says, "This will confirm our agreement as follows."

A Right.

Q Had there been some prior writing which was being confirmed?

A I would not know if there was. If it's in the exhibits, there are, you know.

Q Was there some prior oral understanding which was being confirmed?

A Yes. As I have related before, Mr. Graze and I had had a meeting of minds that I was forming this firm and they showed a desire to invest in it.

Q Was Exhibit 263, the purchase agreement of September 29, 1972, between Vencap and IOS Insurance Holdings relating to the Irco shares, signed at the same time as the exhibit we have just discussed, Exhibit 262?

A I don't know.

Q Refer to page 8, please.

A Mr. Taylor signed this in my behalf.

Q Does that refresh your memory in any way as to whether it was signed at the same time or a different time than the letter agreement of September 29, which is Exhibit 262?

A By this date it was signed October 4, 1971.

MR. LIMAN: '72.

THE WITNESS: '72.

Q Mr. Pistell, you are reading something in --

A I see. It's power of attorney. Excuse me.

This is an agreement dated September 29.

MR. LIMAN: I would suggest that Mr. Taylor is sitting right over there and I have no objection if he refreshes the witness' recollection or states what date it was signed, if he remembers.

MR. TAYLOR: It's my recall that it was signed either that day or the next day. The reason it was

signed in that form is that you had to leave. This other agreement, although it was being retyped and completed, for your convenience, it was signed in that form.

MR. FELDMAN: We will accept that as the witness' testimony, your Honor.

Q Do you recall when the closing was held on the $3 million purchase of preference shares?

A October 8.

Q Do you recall where the closing was held?

A In the Bahamas.

Q Do you recall where in the Bahamas?

A I believe at the bank.

Q Bahamas Commonwealth Bank?

A That's right.

Q Who attended the closing?

A I wasn't there at the closing, if I can remember correctly. I was in Europe or Canada.

Q Who was there in your behalf?

A Mr. David Taylor.

Q Do you know whether Vencap at that time, October 8, received a check for $3 million?

A Yes, they did receive. They account was credited with $3 million.

Q Account where?

A At the Commonwealth Bank.

Q Bahamas Commonwealth Bank?

1394A

A That's correct.

Q What was done with the money?

A The money was put in a call account and then -- put in a call account the day it was given to the corporation.

Q What did the corporation do with the money?

A The corporation invested the money at the highest rate it could get.

Q Where?

A I would say that was at the Chase Bank in London, in the Eurodollar market.

Q Did it invest all of the money it received in that fashion?

A Yes, it invested all the money, except for a checking account with a couple thousand dollars in it.

Q This checking account was at the Bahamas Commonwealth Bank?

A That's right. That's a block from our law firm. I think the average deposit in that account for that year was $2,800. I think there was a call account of $20,000.

Q You determined that the Chase Manhattan Bank in

Commonwealth paying a higher rate of interest on moneys than the Bahamas Commonwealth Bank? 13954

A Well, the Bahamas Commonwealth Bank had a certain rate and they wanted some of the business. Mr. LeBlanc asked me for some and I told him if they could be competitive they could have the business, but at that time, the Eurodollar market were very high rates and we invested the moneys in the Eurodollar market.

Q What rate did Mr. LeBlanc quote you?

A I forget the exact rate.

MR. FELDMAN: I object to the form of the question, your Honor. I don't know whether Mr. LeBlanc quoted a rate. I think it presumes Mr. LeBlanc quoted a rate.

THE WITNESS: May I clear that for you? I am sure there is probably someone in the bank that does nothing but quote the rates. I don't know whether it would be Mr. LeBlanc or the department, the head of the department, that quotes the rate, you know.

Q Please refer to Exhibit 265, which is a warrant to purchase redeemable preference shares of Vencap.

A Yes, sir.

Q Had someone requested that this warrant be issued?

A Well, I think probably it was I requested it, in case we ever ran into a deal that required more than the $3 million at the time, plus I believe that they also wanted it too.

Q Who is "they"?

A I don't know who was on the investment committee, Mr. Graze's investment committee, but this was agreed to by both parties, you know.

Q But you don't recall who agreed to it on the part of the other party?

A No, I wouldn't know that.

Q Do you recall when?

MR. LINN: Could we find out who expressed the agreement to him? He doesn't know who is on the investment committee. Who expressed it to him?

MR. FELDMAN: And what agreement?

Q Can you answer those questions? I will be glad to hear the answers.

A I can't hear all of the questions.

Q The question was who expressed the agreement to you and what was the substance.

A Mr. Graze said that they would also like to have a warrant to purchase more preferred shares and I also said that I thought it would be a good idea if they

had it, you know.

Q On the same terms as the original shares?

A That is correct. That would leverage the equity position all the more if we got a good deal.

Q This is a five-year warrant, isn't it?

A Right.

Q Has the warrant been exercised?

A No, it hasn't.

Q Has there been any statement to you that it will be exercised?

A No. It's never been talked about, really.

Q You haven't asked for additional capital?

A I haven't needed it so far, no.

Q Can you identify the signature on Exhibit 267? It's an instruction for payment dated October 9, 1972.

A Yes, I see the signature.

Q Whose is it?

A I haven't the slightest idea.

Q Mr. Pistell, the agreement for the purchase of the Irco stock, Exhibit 263, had a closing date scheduled for October 16, 1972.

A Right.

Q And I take it the closing did not go forward as scheduled?

A No. It got stuck. The documents that were supposed to be delivered and the various accounts and everything for our examination were not together at that time.

Q And then there was an amendment entered into which is Exhibit 270, that postponed the closing, among other things?

A That's correct.

Q Do you recall who proposed this amendment?

A I believe probably both sides were trying get to some sort of a settlement. I will say that lasted a number of days and very, very tough negotiations between --

Q Between whom?

A Between myself, Mr. Whitcraft, who had come from Europe, Mr. Taylor and one of the lawyers of Willkie Farr, and I believe it lasted four or five days.

Basically, they wanted some changes, and we acceded to some of the changes, but frankly, the deal was fading at this time.

THE COURT: The deal was what?

THE WITNESS: Fading.

THE COURT: Fading?

THE WITNESS: Right. Really, the necessary documents that were going to have to go into escrow, they were having a very hard time getting together.

Q Now, you are referring to this escrow agreement which is Exhibit 264?

A 261 --

Q No. 271.

A 271.

Q Yes. You are referring to that escrow agreement.

A Yes. This would be the escrow agreement.

Q And this was signed at the same time as Exhibit 270, if you know?

A I'm not sure of this, to tell you the truth. Let me just say that this never got to escrow. Number 1 there was changed, changes being negotiated in the deal day after day. There was the agreements, were being changed. The escrow that was supposed to go to escrow never got to escrow.

MR. LITTLE: When he says these things did not get to escrow, does he mean that it was not deposited in escrow?

THE WITNESS: That's correct.

Q When you say "day after day," is that subsequent to October 31, 1973?

A [illegible] --

Q Before or after.

A During that time, yes. They started to nit-pick down on the deal and wanting more, you know. In other words the deal had changed considerably from the original deal.

MR. [illegible]: Can we have a statement of who "they" are? I am very touchy on that subject, since so much is attributed to my client.

MRS. [illegible]: Well, Mr. [illegible] was [illegible] for the IRCO side, and I may try, negotiating with Mr. Taylor, myself and a lawyer from Willkie Farr was [illegible] Gary Ward. I believe.

Q Yes, I am still in need of clarification, Mr. [illegible]. What changes you referred to: did they occur after the amendment to the agreement which has been marked Exhibit 270, or before?

MR. [illegible]: If your Honor please, I again am going to object and ask you please to exclude all this testimony about the IRCO transaction. We are getting ourselves in the posture once again where this transaction, which is not complained of, never closed, never went anywhere, is going to be the subject of a burden to the defendants for part of this trial.

o have to bring Mr. Whiteside
some time in May, at considerable
ase, for no reason. There is
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laws, and we are spending our
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your Honor to limit this inquiry.
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THE COURT: Ho
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MR. [illegible]:
diversion. We didn't ha
I suggest to your Honor
by the management company
assets, the case would h
Nevertheless,
done indirectly.
THE COURT: If
complaint had been a month
allegations have been with
deal?
MR. [illegible]: The

...ultaneously, and one of those transfers of money by the company that ...fund moneys from the management ...nd the other transaction is the ...d money to the company that will ...ment company for the funds.

...to me I think that is extremely

... I don't think that that has ...n established, tie into your complaint. ...than just that there was fail-

...four fourth, we are alleging ch. ...ve this for the complaint, but ...that if this had been done directly ...y for the funds, selling the ... ...ve been cleared with it is now, ...t is clear as it stands. It was

...you had known about this and your ...n of the later, what would your ...response to this non-consummated

... allegation would have been

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that the management company set about to convert its assets to cash through the use of cash of the Dollar Fund, and it did this with Vencap as the vehicle.

MR. LIMAN: Your Honor, if they think that this transaction shows any wrongdoing, a transaction in which you had respectable lawyers on both sides, then I would urge that they be permitted to go into it, because I am prepared to meet them on this issue. Mr. Feldman will meet them on this issue. We can take up time.

If this is what they say violates the securities laws, then for the first time I am beginning to understand this case. Let them go into it.

THE COURT: Well, I think, Mr. Liman, I obviously haven't made up my mind about this transaction. It seems to me, however, that if they want to put this in, and you are right, and if I allow it to come in as I have been doing, you, Mr. Feldman, would not have to worry about meeting it later on.

MR. FELDMAN: I don't know, your Honor. It depends. In my view of it --

THE COURT: It can be argued that this is affirmative evidence in your favor.

MR. FELDMAN: Well, if Mr. Kushner is not arguing that these companies are subject to the Investment Company

Act of 1940--

THE COURT: Well, I didn't think that is what he said.

MR. KUSHNER: Mr. Feldman is setting up a red herring. He knows very well that there is no contention that the Investment Company Act applies in this case.

MR. FELDMAN: Then do I understand that there is no contention that there is any statutory violation involved in having an investment company deal with its management company or affiliate?

MR. KUSHNER: There is a statutory violation of Section 10(b)(5) and Rule 10(b) in using a Dollar Fund that is intended to be investing in readily marketable U.S. securities to purchase securities of a newly formed, thinly capitalized company, one of whose assets is intended to be an asset of the Capital Fund, put up by other people's money, namely, the Dollar Fund.

Q Now, Mr. Pistell, you referred a few moments ago to the documents which had to be put in escrow under the escrow agreement, Exhibit 271.

A Right.

Q And you said there was difficulty getting these documents in escrow. Starting with page 2 of the escrow agreement, towards the bottom, there is a list of instruments

to be placed in escrow.

A Right.



Q And I take it that none of the instruments listed for the purchaser to place into escrow presented any difficulty?

A Excuse me?

Q Presented any difficulty.

A This never got to escrow. In other words, frankly, I walked out on the deal in the end, after the last five days, and one of the lawyers walked out of the deal, because we could get no further on an agreement together to do the deal. The deal kept changing.

b3

Q You had an agreement and an amended agreement?

A We had an agreement and an amended agreement, but our agreement was an option to take a look at the assets. You don't go buy a pig in a poke. I never have. In other words, if there's a mortgage in London on a house, you want to see if there is a mortgage, you want to have a search on the property, you want to make sure of the credibility of the assets behind it. We never even got to that stage.

Q Mr. Pistell, is there something in writing that evidences this, that you walked away?

A Yes. My plane ticket. I got right out of the

room and got on a plane and went home.

Q Is there anything else in writing?

A Well, I believe my lawyers will verify that I finally walked out of the building and the negotiations and said, "If you can close a deal, and they can live up to the agreement, fine. Otherwise I'm not going to go along any more."

Q When did this occur?

A If I may refer to my lawyer --

MR. TAYLOR: You left. I think it was on a Thursday, and we finally got to winding up on Friday.

THE WITNESS: I left on a Thursday, evidently, and told them all if they could finally get the thing done, to go ahead and get it into escrow. If they couldn't, I wasn't going to negotiate any further on it. I spent days on the damned thing, trying to get it done.

Q What Thursday was this?

MR. FELDMAN: If your Honor please, I suggest that what Mr. Kushner is now doing is cross-examining the witness when he asks him if there is a document in writing and he puts 50 documents in front of him.

Exhibit 270 has a closing date. It goes on and says that in the event the agreement is not closed, it shall be automatically terminated unless it is extended

to March 31, 1973. We are now in April. We are told that it hasn't closed, the deal is off, the document says so, and I don't think Mr. Kushner should be cross-examining the witness by asking him if there is anything in writing that says that the deal is off when he put the document in evidence.

It is on page 4, Mr. Kushner.

MR. KUSHNER: Oh, I have the date, your Honor.

I think it would be very helpful in addressing this document if I could have an answer to what Thursday it was when this occurred.

THE WITNESS: I can't tell you what Thursday it was, but it was at the meeting down here when we spent the five days at the bank, the Commonwealth Bank. Mr. Whitcraft had come from Europe. Mr. Gary Ford was there. I was there, and Mr. Taylor was there, and these changes kept going back and forth in the negotiations, and I finally said, "Look. I've had enough," you know, "and if they can't live up" -- not live up to the spirit, but if the escrow couldn't be gotten together, that I had no further interest in the deal.

Q What month was it?

MR. LIMAN: The witness' counsel, if he wants it on the record, says that he left on either October 26th

or October 27th.

MR. TAYLOR: Or 25th.

THE WITNESS: I wasn't even at the final agreement.

MR. KUSHNER: Your Honor, in that event--

Q Does that refresh your memory that it was either the 26th or the 25th?

A Yes. I would say either the 26th or the 27th, whatever it was.

MR. KUSHNER: In that event, your Honor, when Mr. Feldman cites a closing date of March 1st or extended to March 31st, I think it becomes quite germane to find out what happened between October 26th and March 1st or, if extended, March 31st.

THE COURT: All right. What did happen in that period, Mr. Pistell?

THE WITNESS: All right. Fine. In Exhibit 270, it says, "Negotiations, October 25th." Several days, a deadline of November 15th was set for IOS to put all the assets in escrow.

THE COURT: What are you reading from?

THE WITNESS: I'm in 270, Judge.

THE COURT: Why don't we see that?

THE WITNESS: Why don't we see that, Dave?

It's in the escrow agreement. That's 271.

THE COURT: Well, can you tell us, Mr. Pistell, at the bottom of page 4 and the top of page 5 of Exhibit 270, it says, unless certain things happen, and it finally says the agreement shall automatically terminate in accordance with paragraph 6 unless extended to March 31, 1973.

Was that ever extended?

THE WITNESS: I believe, Judge, if you will just give us a moment here, that there is a deadline of November 15th, finally -- no. Excuse me. Nothing was ever extended. Nothingwas closed, and nothing was ever put in escrow.

THE COURT: Was the agreement, as far as you know, dead?

THE WITNESS: Absolutely.

Excuse me. Here we are. On Exhibit 271, page 2, Section 2, instruments placed in escrow -- "Following are the instruments hereafter sometimes referred to as the escrow instruments to be placed in escrow on or before November 15, 1972.

None of that happened, and the agreement died.

Q Now, as a final question, I hope --

1410A

A Yes.

Q -- in this area, referring to pages 3 and 4 and 5 of the same escrow agreement--

A Right.

Q -- can you state which of the instruments which RKO was to place in escrow are among the instruments you said that there was difficulty in placing in escrow?

A I would not know that, because I was not the lawyer handling it, but I don't believe basically -- not one item of it went into escrow, you know.

Q I understand that to be your testimony, and I also understand that you cannot say which of those instruments presented difficulty.

A No. I cannot say that.

Q Now, did Venezy ever make any investments?

MR. LIEB: In anything?

THE WITNESS: Excuse me--

Q (Continuing) Other than the Chase Manhattan investment you have talked about.

A Oh, yes. Outer Island Airline was one of our first investments, yes.

Q Any other investments?

A Securities, acquisition, loans, and I believe

1411A

that's about it.

Q Are those securities readily marketable securities?

A I would say 80 per cent of them, yes.

Q Can you give me a brief idea at the present time of what the asset position of Vanap is?

A The net asset position?

Q What is consists of.

A I would say it consists of cash and securities of approximately $1,000,000 plus, a loan to Outer Island Airways -- that's $662,000 -- a loan of $590,000, a--

Q To whom?

A Collateralized by oil property through the-- excuse me, now. I've got the memorandum here.

Q Are you referring to Exhibit --

MR. BREEN: Intercapital loan.

THE WITNESS: That's right. Intercapital IV.

Q That is Exhibit 276?

A That's correct.

Q 277 and --

A Right, and I would say a million, a million two to a million and a half to in cash and securities and the airline deal and the IV deal, a loan.

Q How much advance each of a million two to a milli

five?

A I would say $600,000 to $700,000. But it isn't cash. It's invested in Eurodollars.

Q I understand that.

A At 8-3/4 per cent, thirty-day loan.

MR. LEMAU: Can the witness, instead of having his testimony elicited this way, be asked over the weekend to put together the figures, so that when he comes into court --

THE WITNESS: Sure. We'll have the whole list for you.

MR. LEMAU: We can see exactly what it is.

THE COURT: That would be very easy for you!

THE WITNESS: I don't mean to be exact, but some day we may have bought a thousand shares or sold a thousand shares, up to 5,000 shares, you know.

Q Who are the principals of Intercapital NV?

A The principals of Intercapital NV is a corporation set up in the Dutch Antilles under a tax treaty enabling Vencap to make loans for a tax saving purpose.

In other words, under the tax treaty there is no withholding to a United States loan through the Dutch Antilles route.

Q Is Intercapital a subsidiary of Vencap?

A No. It is not a subsidiary of Vencap. It has a separate office.

b5

MR. FELDMAN: Mr. Kushner, is your question about Intercap an AL principal or LE principle?

MR. KUSHNER: No. AL.

MR. FELDMAN: I think the witness may have understood it and answered LE.

MR. KUSHNER: I don't think so.

Q Who are the beneficial owners of Intercapital NV?

A Who would be the beneficial owners? I'm not a tax expert, I defer to Mr. Taylor.

MR. TAYLOR: You are the principal benefidal owner.

THE WITNESS: Right. I'm the principal beneficial owner.

Q And is there someone else, too?

MR. TAYLOR: It is my understanding you have an agreement.

A I have an agreement, yes, with a stockholder.

Q With whom?

A A gentleman by the name of Mr. Blackman.

Q So that you and he are the beneficial owners of Intercap NV?

1414A

A Right, and Vencap.

Q What is Mr. Blackman's first name?

A Thomas.

Q Now, you mentioned that Intercapital NV was in the loan business.

A It made one loan, of $590,000.

Q To whom?

A That would be against collateral of mine, personally.

Q A loan to whom?

A Loan to -- excuse me. Intercapital has made a loan collateralized by my collateral, and I would receive the proceeds of the loan.

Q The collateral you referred to is Pomaikai Oil Corporation?

A Yes, which is now the Flag-Redfern Company.

Q And where is this company?

A It's based in the United States.

Q Engaged in what business?

A The oil and gas business.

Q Are the 66,256 shares of Pomaikai referred to in the pledge agreement which is Exhibit 275 your shares of that company?

A Yes, they were. They are my shares of this

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xphic collateral.

Q And about what percentage of the outstanding common stock do they represent?

A I would say roughly 5 per cent or a little under.

MR. KELDMAN: If your Honor please, we are not getting into transactions of Mr. Pistell.

THE COURT: I don't understand that we need to go into this matter at all, Mr. Kuchner.

MR. KUCHNER: Except, your Honor, that the area which we have just gone into seems to me to be most germane to the nature of the investment that the fund has made here. IVT holds 30,000 shares of preference shares in Vencap, and we have heard testimony about the nature of the investments that Vencap made.

MR. KENIN: Is there any suggestion that this is self-dealing to my client, Robert Vesco, that he has interest in Redfern or Intercapital?

THE WITNESS: Right.

MR. KENIN: I have an objection, really based on relevance. If it is not self-dealing as to any of the defendants in this action, then why are we going into it?

Now, I don't know whether this is a great transaction for Vencap or a poor transaction for Vencap.

1416A

I'm not here to defend Vonco.

THE COURT: I take it, Mr. Kushner, that there isn't any charge of self-dealing here at all on the part of Mr. Vesco. I take it what you are trying to do is to show that Vencap is not an appropriate investment, because what it is doing with its own money is not an appropriate thing to do.

I am not going to permit this questioning.

MR. KUSHNER: All right, but may I make a final remark in this area, your Honor?

THE COURT: Yes.

MR. KUSHNER: When we talk about representations about readily marketable United States securities, I think that what we are really getting at are investments which are liquid, obviously, can be cashed in.

We have heard testimony about a $3,000,000 investment in a company, newly formed, with a minimal amount of capital put up by the owners.

THE COURT: Yes. I understand your point.

MR. KUSHNER: And no financial statements.

THE COURT: Perhaps this can be dealt with, to the extent you think it needs to be dealt with, in the statement which Mr. Pistell is going to produce for us on Monday. You might want to discuss this with Mr.

Taylor. Perhaps there can be a statement from you.

MR. PISTELL: May I go on the record as saying something, Judge, in line with what has been said here?

I probably started a half a dozen companies with no markets, just individuals with very little money, that are all worth well over $100,000,000 today, with capital changing anywhere from fifty thousand to one million, and Venture Capital is not considered AT&T, but to each his own choice on that.

But I just want to go on record. It's not just a loan. Along with this loan, Vencap received an equity position.

I would also like to say, the use of proceeds of this loan mainly went to the United States Government for taxes. * * *

THE COURT: All right. If you feel, Mr. Kushner, as I have just indicated, that you need more information in this respect, I trust you will take it up with Mr. Taylor, and perhaps we can have a statement in writing, which can be stipulated to.

Now, I would like to take a short recess, but before we do:

Mr. Blank, I think you and I were talking at cross purposes as to what was missing in the default

T5

Q Do you know what was the prime rate of interest on your unsecured loans in Costa Rica?

A No. I wouldn't know that.

Q In 1972?

A No. I wouldn't have gone into that.

Q Did you have anything to do with setting the rate of interest on the San Cristobal loan which was received from ITT?

A I had nothing to do with the fund negotiation whatsoever.

Q My question was whether you had anything to do with setting the rate of interest. Did you participate in any discussions on that subject?

A Not that I can remember, Mr. Kushner.

Q Now, do you recall when Conservative Capital Limited was formed?

A If you can refer me to the paper here, I can refresh my memory.

Q Before I do that, let me ask you a final question on Vencap.

A Yes.

Q Who are the present owners of the Vencap ordinary shares?

A Mr. Blackman and myself and the nominees here

1419A

that are on the same list with the Carson, Lawson law firm.

Q When did Mr. Blackman acquire his shares?

A I made my agreement with Mr. Blackman on the 17th of March.

Q Of 1973?

A That's correct.

Q Is that agreement in writing?

A That agreement is in writing, I believe-- no. It's not in writing.

MR. TAYLOR: It's not in writing.

THE WITNESS: Not in writing as yet, no.

Q What is the substance of that agreement?

A The substance --

MR. FELDMAN: I object.

MR. LIMAN: I object.

MR. FELDMAN: Are we going into every single personal transaction that Mr. Pistell may have with every single asset?

MR. KUSHNER: Your Honor, we are talking about a closely held company, which apparently is held by two people. I don't now. I am asking that.

MR. FELDMAN: This is not discovery.

THE COURT: I will sustain that.

1420A

MR. KUSHNER: Did your Honor rule?

THE COURT: I have sustained the objection.

Q Is Mr. Amid Benhima the beneficial owner of 50 per cent of the outstanding voting stock of Vencap?

A No; he is not.

Q Was he ever?

A No.

MR. KUSHNER: May I have this document marked as Exhibit 300A for identification?

That document was in the feasibility study regarding the Outer Island Airways, which we did locate last night, your Honor.

(Discussion off the record.)

(Plaintiff's Exhibit 300A marked for identification.)

xx

Q Does your signature appear on Exhibit 300A for identification?

A That is correct.

Q And paragraph 2 of that document refers to Mr. Benhima --

A Right.

Q -- being the beneficial owner of 50 per cent of Vencap's voting stock?

A That's right, but that never came about.

(Discussion off the record.) 1421A

Q What was the reason that that did not come about, Mr. Pistell?

A Mr. Benhima was going to leave the government where he was and is currently now engaged in, but at the request of the government was still working for the government and could have no outside interests.

Q I asked you a while ago when Conservative Capital was formed, and you wanted some help in the exhibits.

A Yes. Right.

Q Let me see if I can refresh your memory.

A I have out 279. Do you want this copy?

Q Does that refresh your memory?

A Yes. 279, yes.

Q Yes. When was it formed?

A According to this paper -- let me just see if this is signed -- June 6th.

Q You are reading the date of the loan agreement?

A Is that what it is?

Q Yes.

THE WITNESS: If I may confer with Mr. Taylor--

MR. LYMAN: What exhibit are you directing his attention to?

Q Can Mr. Taylor refresh your memory, Mr. Pistell?

1422A

A He's taking a look now.

MR. LIMAN: Mr. Kushner, you have a certificate of incorporation here, as I am informed, of Vencap.

(Discussion off the record.)

Q Do you recall who the shareholders of Conservative Capital were when it was formed?

A Mr. de Riencourt and myself, and the same nominees of Carson-Lawson.

Q What percentage of the stock did each of you own?

A Approximately the same percentage as in Vencap.

Q Approximately 50 per cent?

A Right.

Q Do you recall how much you paid into the company for your stock and how much Mr. de Riencourt paid in?

A If I may refer --

THE WITNESS: Was it the same amount as the Vencap?

MR. TAYLOR: No. In my recollection it was 10,000. 5,000 each.

THE WITNESS: 5,000 each.

Q Now, was Conservative Capital Limited formed

for a specific purpose?

A Yes; it was.

1423A

Q What was that?

A It was formed for the purpose of buying 2,000,000 shares of Chibex Mining Corporation of Quebec, Canada.

Q And at some point in time, did you discuss this line with Mr. Graze?

A Yes; I did.

Q And do you recall when you first discussed it with him?

A Probably in the beginning and through the year until the event took place.

Q Do you recall whether some time between March and June, 1972, you discussed it with Mr. Graze in New York and New Jersey?

A No. At one time after we had discussed it, I had a meeting with Mr. Graze in New Jersey to introduce him to Dr. Malouf.

Q And when was that?

A I can't give you the specific date on that.

Q Was it some time between March and June of 1972?

A It could be, but I don't recall the exact date.

Q Do you recall where in New Jersey you introduced

1424A

Mr. Graze to Dr. Malcuf?

A In the office of International Controls.

Q. And how long did you spend with him over there?

A About two hours.

Q Was anyone else there?

A There were lots of people in the office, but mostly the people that met were Mr. Graze, Dr. Malcuf and myself.

Q Did you give Mr. Graze a presentation of any sort?

A I can't remember. It was really just for him to say hello. Dr. Malcuf was on his way to South America

Q You did say it took about two hours?

A Oh, yes. I'm sure we talked about Chibex.

Q And did Mr. Graze give you any response at that meeting or within the next day?

A Not right at that meeting, I would say, but I told him of the endeavors that I had been going through to get hold of a gold property in Canada, at which point they expressed a definite interest in participating in it.

MR. LIMAN: Will you find out who "they" is, who expressed an interest and when they expressed an interest?

THE WITNESS: I would say that Mr. Graze talke.

to his people, to his committee, and they were interested.

Q Did Mr. Graze tell you this after you and Dr. Malouf met with him in New Jersey?

A I would say yes.

Q How long after?

A I could not tell you exactly whether it was a week or two weeks or a month, you know.

Q Let's see if I can read you your prior testimony and ask you if that refreshes your memory.

A Right.

Q I am referring now to your testimony in the course of the investigation on November 1, 1972, starting on page 20, line 16:

"Q Can you place this" which refers to the meeting you had just described -- "in a period of time?

"A I can't really. It was before the deal.

"Q Before June 6th?

"A Right.

"Q So between March and June?

"A Yes.

"Q It was in that period?

"A Right. He had a very tight schedule -- Dr. Malouf. I said, if there is any way, you know. So we took a helicopter from 60th Street to Mr. Graze and went

over and above what we have and a half talking to Dr. Walcutt and Stanley Gruss.

"Q Was anyone else present?

"A Gad, there were people going in and out.

"Q Can you recall anyone else who was present?

"A Not really, no. We were in a room, you know.

"Q At M.M., in Fairfield, New Jersey?

"A That's correct, and they met, and we went back to New York, and I think it was the next day Stanley Gruss called, or that evening, and said, 'We would very much like to participate in the financing of that deal.'"

A Right.

Q What refreshes your memory as to Mr. Gruss calling you?

A Yes.

Q The very next day?

A I don't know if it was in a day or two days or a week at this point, but it was shortly thereafter.

Q Now, what was the next occurrence with regard to the financing after Mr. Gruss gave you this phone call and did that he was interested?

A At that point, I returned the money that I had on behalf of my own discretion, and we proceeded to go

Fund with Conservative Capital, form it, fund it and advance the moneys to Chibex Mining Corporation.

Q And is it correct that Conservative Capital received a loan of $1,000,000 from Fund of Funds Proprietary Limited, which it used to acquire the Chibex stock?

A That is correct.

Q Now, do you recall when you acquired the stock of Chibex?

A When it was cleared with the Securities Commission of Quebec.

Q Do you recall when that was?

A If I may refer to -- I don't see it.

MR. LEVAL: I can give you the exhibit.

THE WITNESS: Can you give me a number?

MR. LEVAL: Yes. The exhibit is, I believe, 281. You can look at it. And then 282.

THE WITNESS: Right. Yes, sir.

MR. LEVAL: And then there is a whole series of exhibits that follow, relating to that.

THE WITNESS: It says, dated on the Commission's letter of August the 8th. This letter is August the 10th. The closing date, I would say would have been -- what date?

1428A

MR. WINER: August 10th.

THE WITNESS: August 10th.

Q Now, you took over the controlling interest in Chibex?

A Yes. We made an investment in Chibex.

Q And what percentage of the stock?

A 2,000,000 shares out of 1,750,000 shares.

Q When you acquired Chibex, it had what assets?

A It had a very substantial amount of acreage in Canada, with 200 and some-odd mining claims on it. It had workings of a property that had worked before and a very substantial ore reserve in gold copper.

Q Had those properties been left alone for a substantial period of time?

A Since 1960.

Q And why was that?

A Well, why was that? Number 1, gold was only selling at $35 an ounce, plus the gentleman that owned the properties had a very substantial financial burden upon him at the time, and the cash flow that was then coming out of the property was going to finance this other problem, and the mine was not being developed properly, and at one point it had a fire on the surface in the mine shaft. At that point, they shelved the operation.

14294

Q At what point was that?

A That would be in 1910.

Q Had the mine also been flooded?

A No. When you shut the mine down, there's a very common occurrence. It is what is know as wet mines. All the mines in the Campbell-Chibichomo area have pumps in there that are constantly being pumped out because of the geological formation. When they cease operations, they automatically fill up with water.

1430A

Q Who are the present owners of the common stock of Conservative Capital Limited?

A I would say myself and, under my agreement, Mr. Blackman.

Q Have there been any other owners of the common stock of Conservative Capital since it was formed, other than the qualifying shares?

A Mr. deRiencourt. No, no others.

Q Mr. deRiencourt sold out?

A Yes.

Q When was that?

A The same time that he sold out in Vencap Corporation.

Q Did he sell out for the same amount of money?

A He sold out -- if I may refer to David.

(Discussion off the record.)

A At par.

MR. KUSHNER: Has Mr. Taylor been able to get a date that might refresh Mr. Pistell's recollection on when Conservative Capital was formed?

MR. TAYLOR: We will get the date. I believe it was in June.

Q Do you recall that at the time you testified on November 1, 1972 you were seeking financing for a hotel

chain in Morocco? 1431A

A That is correct, yes.

Q How much financing were you seeking?

MR. FELDMAN: Objection, your Honor. We are now going to go into an exploration of hotel properties and tourism in Morocco, your Honor.

There is nothing in the complaint about any transactions in Morocco. There are no transactions that I know of that took place in Morocco.

I know Mr. Pistell travels through Morocco very dramatically or Mr. Kushner takes him through Morocco, to Morocco and back from Morocco, in the investigative transcript, but I don't want to go every place Mr. Pistell went in the course of this trial, your Honor. There just isn't time. I don't know what the relevance of going to Morocco is.

MR. KUSHNER: I referred to this briefly in my opening outline yesterday.

When Mr. Pistell was examined on November 1 he was in the midst of putting together a deal which he then said involved about 10 to $12 million in financing for a hotel chain in Morocco and it was one of Mr. Straub's entities that was interested and Mr. Graze had traveled with Mr. Pistell in Morocco and at a separate time Mr.

1432A

Straub had. He didn't know the name of the entity, but it was one of Mr. Straub's entities. Unfortunately, of course, we didn't find out what happened to those plans. Perhaps Mr. Feldman knows. I don't.

THE COURT: Mr. Pistell, did you hear that?

THE WITNESS: Yes, I did, sir.

THE COURT: Did anything happen?

THE WITNESS: Nothing happened, sir.

MR. FELDMAN: Is the purpose of a trial to inform Mr. Kushner about what did or didn't happen in Morocco when his complaint doesn't allege that anything happened in Morocco?

MR. KUSHNER: Your Honor, the last time I heard of the four corners of the complaint --

THE COURT: On this one, Mr. Kushner, I would like to review the transcript of Mr. Pistell's investigation. Until I have done so -- I don't want to do it right this moment -- until I have done so we will defer on this line of questioning.

MR. KUSHNER: Yes, your Honor.

THE COURT: The record will show that Mr. Pistell has just indicated that nothing happened since this testimony. However, I will reserve on this until I have seen the transcript.

1433A

MR. KUSHNER: I would like to find out background here and any further detatils of the financing.

THE COURT: With respect to this Moroccan situation?

MR. KUSHNER: Yes. I am just telling your Honor what I would propose to do.

THE COURT: I see.

Can you indicate the pages?

MR. KUSHNER: Yes, sir. Pages 30 through --

THE COURT: 30 et seq? If I know the page to start with I will know where to stop.

MR. FELDMAN: I don't know why it will help you to start on 30, your Honor. We are in Madrid on 30.

MR. KUSHNER: That is where Mr. Pistell starts his story.

THE COURT: I will start on page 30.

MR. KUSHNER: Through 30.

MR. FELDMAN: We are in Norway on 31.

THE WITNESS: We are moving fast.

MR. FELDMAN: 32 we are coming back from Morocco.

THE COURT: All right.

Let's go ahead, Mr. Kushner. We have a few minutes more.

SECURITIES AND EXCHANGE COMMISSION

vs.

ROBERT L. VESCO, et al.

1434A

72 Civ. 5001

---

New York, April 16, 1973;
11.00 o'clock a.m.

(Hearing resumed.)

* * *

THE COURT: Do I understand, Mr. Kushner, that the log is missing again?

MR. KUSHNER: No, your Honor.

MR. JACOB: Good morning, your Honor.

A short while ago I furnished to your Honor an amended proposal of the Commission in connection with the order of preliminary injunction an appointment of a temporary receiver, and I have inserted three additional recital paragraphs which describe previous orders entered by this Court in connection with injunctions restraining the withdrawal or transfer of certain moneys and a paragraph in connection with Mr. Blank's affidavit, which recites in substance the letter of Arnold & Porter to the Court, concerning Dollar Fund moneys and BCB.

I have also, in connection with the paragraph

January 31, 1973.

The second one, which is a balance sheet of Inter-Capital N.V. as at March 31, 1973, will be marked Exhibit 302 for identification.

(Plaintiff's exhibits 301 and 302 were marked for identification.)

MR. LIMAN: Does counsel have extra copies of this so we don't all have to try to make do with one copy?

14,35A

DIRECT EXAMINATION (Continued)

BY MR. KUSHNER:

Q Mr. pistell, do you know who prepared Exhibit 301 for identification?

A This was prepared over the weekend, on my instructions. I told counsel to get local accountants instead of going to Nassau, and it was done by the firm of Beck & Field of Long Island, which are Certified Public Accountants.

Q Based on what papers?

A Based on the records that they have on hand of deposits, certificates et cetera, as of that period.

Q Were they the regular accountants for Vencap?

A No; they are not. Those were local accountants that we got over the weekend. The regular accountants would be in Nassau, Bahamas.

Q Who supplied them the papers from which they prepared Exhibit 301 for identification?

A I believe counsel supplied the papers and records that we have on hand of duplicate copies that arrived in New York from Nassau.

MR. TAYLOR: Yes.

Q Mr. Pistell, is it correct that at some point in time Vencap made a loan to Inter-Capital N.V.?

A That is correct.

Q And that was after January 31, 1973?

A That was after January. That's correct.

Q And what was the amount of that loan, again?

A Approximately $590,000.

Q Who prepared Exhibit 302 for identification?

A I don't know who prepared that over the weekend.

MR. TAYLOR: The same firm.

A (Continuing) The same firm.

Q Based on what papers?

A On papers, I imagine, that they had on hand, that were delivered to them.

Q Delivered by your counsel?

A That's correct.

Q When did Vencap acquire some 153,000 shares of Lincoln American Corp.?

1437A

A It acquired it over the past few months in the open market, on the American Stock Exchange. I can't give you the specific dates, but I am sure we have the duplicate confirmations.

Q were you at one time a director of Lincoln American Corp.?

A I was a director, and I was chairman of the Executive Committee.

Q And did you resign?

A Yes; I did.

Q When?

A Before moving to the Bahamas.

Q Can you fix a month?

A No. I can't, really. I believe my counsel could tell me from the records filed with the SEC.

MR. LIMAN: Can he tell us when he moved to the Bahamas, what year?

THE WITNESS: 1972.

MR. TAYLOR: In October of last year that he signed, and the purchases were made after that date.

Q Does the loan made by Vencap tc Inter-Capital bear interest?

A Yes; it does, and it is on deposit in a CD, and the note against it bears interest.

Q Do you recall what rate? 14.38A

A I believe it's seven -- excuse me, now. I can tell you exactly in a minute.

MR. TAYLOR: I believe it's 8-1/2 per cent.

A (Continuing) 8-1/2 per cent.

Q Is that the CD rate or the --

A That's the rate against the loan. I will give you this figure exactly if you will just wait one second. These figures were gotten over the weekend and just delivered to the office this morning.

* * *

MR. KUSHNER: Let's go on to another area.

Your Honor, I believe that over the weekend you were going to read the relevant pages of Mr. Pistell's investigatory transcript in connection with the objections made to the questions about Mr. Pistell seeking financing for the hotel chain in Morocco.

THE COURT: Yes. I believe you told us on Friday, Mr. Pistell, that no deal had been made yet.

THE WITNESS: No deal, to my knowledge, has been made yet. If there has been a deal, Judge, I don't know.

THE COURT: Do you know whether the negotiations are still going on?

THE WITNESS: I wouldn't know that, either.

this year. I am sure that I discussed it in detail with everyone, because I was very sold on it personally.

Q On Friday you were going to try to determine the date when Conservative Capital was formed. Have you been able to do so?

A I think we can give you that exact date.

MR. TAYLOR: It was in June.

Q June of 1972?

A That's correct.

1439A

* * *

Q Do you recall whether the preference shares issued by Vencap to International Investment Trust were voting or non-voting?

A I believe — I do not know that question. I will refer to Mr. Taylor on that.

MR. TAYLOR: They are non-voting.

A Non-voting.

* * *

Q Exhibit 289, page 1, which is minutes of a meeting of shareholders of Conservative Capital Limited held on December 28, 1972, records on page 1 the creation of 5,000 additional shares of the common stock of Conservative Capital.

What was the reason for that?

MR. FELDMAN: If your Honor please, it's my recollection that question was asked and answered

THE COURT: Mr. Kushner, I am sorry. I should have known at this time that there is no such thing as a two or three-minute proceeding. Nothing is ever that easy.

MR. KUSHNER: I am almost finished, your Honor.

Q Mr. Pistell, during the recess were you able to refresh your memory as to how many shares of Conservative Capital you own and how many shares Mr. Blackman owns?

A It would be approximately two thousand shares apiece.

1440A

Q Now, are any of the securities owned by Vencap Limited pledged for loans?

A None whatsoever.

Q When is the last time you spoke to Mr. Vesco?

A Approximately, I believe, March, the end of March.

Q And where?

A At the Commonwealth Bank, in Nassau.

Q And who else was present?

A I believe Mr. Graze was present and maybe Mr. LeBlanc was present.

Q And was this a meeting --

MR. FELDMAN: If your Honor please, I am going to object. I don't understand what we are doing here.

1441A

Q Mr. Pistell, when is the last time before that March meeting when you spoke to Mr. Vesco?

A I couldn't tell you that specifically, Mr. Kushner.

Q Was it this year, 1973?

A Oh, yes. Sure.

Q And where?

A Well, in the Bahamas.

Q Do you recall what the subject was?

A No specific subject that I can recollect now.

Q Have you discussed Vencap with Mr. Vesco during this year, 1973?

MR. FELDMAN: I object, your Honor, as another way of getting at the same question.

THE COURT: You can answer that yes or not.

THE WITNESS: Yes. I believe we have discussed Vencap and what it was doing.

Q And when did that discussion occur?

A I couldn't specifically tell you that, Mr. Kushner.

Q But it was during 1973?

A I would say yes, it was during 1973.

Q And do you recall where the discussion occurred?

A Not really.

1442A

Q Do you recall whether it was a personal discussion or a telephone discussion?

A I would say it was a personal discussion.

Q And was it initiated by you or by Mr. Vesco?

A I can't really remember that.

Q At that discussion what did you tell Mr. Vesco about Vencap?

A Nothing except that we're coming along well and that I concluded the Outer Island transaction.

THE COURT: Do you see Mr. Vesco frequently?

THE WITNESS: No, sir, but he's in the Bahamas with his family, and his children are down there, and when my children are down there, I take them fishing or skin diving.

THE COURT: Do you see him once every two or three months?

THE WITNESS: Yes. I would say once every two or three months.

THE COURT: When you do, do you discuss social matters with him?

THE WITNESS: Surely. The children, social matters.

THE COURT: Business matters?

THE WITNESS: Surely. The world in common.

THE COURT: Anything about what he could do for Vencap?

THE WITNESS: No. Not what he can do for Vencap.

MR. LIMAN: The question and the answer that he started to give about his discussing Outer Island -- may we get that?

(Record read.)

Q Did you tell him anything else about Vencap's affairs?

A I'm sure I told him we were negotiating for various other transactions, yes.

Q Did you tell him about the Lincoln American investment made by Vencap?

A No. I made that all my own.

Q Did you tell him about any other investments made by Vencap?

A I could very easily.

Q Did you tell him about any other investments made by Vencap?

A I could very easily.

Q Did you tell him about the loan made by Vencap to Inter-Capital N.Y.?

A I could very easily.

1444A

Q Well, what is your best recollection?

MR. LIMAN: I object and move to strike.

A I can't really tell you specifically, no.

THE COURT: What is the question?

(Question read.)

THE COURT: What is your best recollection?

THE WITNESS: My best recollection is, Judge, I can't really remember whether I told him or not.

THE COURT: When you say you could have, you might have, but you don't remember whether you did?

THE WITNESS: That's right. We were discussing deals every day, you know.

Q Mr. Pistell, will Chibex Mining be seeking any financing within the next year?

A Approximately $3 million within the next 120 days.

Q And have you been negotiating for that financing?

A I am going to start negotiating for the financing as soon as I am free to do so, Mr. Kushner.

Q You haven't yet started?

A Not really, no.

Q Do you expect to seek such financing from the IOS entities?

A Mr. Kushner, let me just say, if I have a good

deal and good proposition, I will seek financing anywher I can get it, but specifically in this case, no.

MR. LIMAN: What does that mean, in this case:

THE WITNESS: Number one, it's a Canadian entity, Chibex Mining Corporation, and with the philosoph today, that's in Canada, the first modus operandi would be a first rights offering to the stockholders.

Q Which is what you plan?

A That's what I plan, yes.

Q One of those stockholders is Vencap?

A No. Vencap is not a stockholder.

Q One of those stockholders is Fund of Funds?

MR. LIMAN: Are you talking about Chibex? It's Conservative Capital, you mean.

THE WITNESS: What they have is an option on th part of the capital stock. The option would go to Conservative Capital, the rights.

THE COURT: You say they have an option. You mean, Chibex has an option?

THE WITNESS: No. Conservative Capital owns two million shares of Chibex. The fund has an option on 500,000 shares of that stock. It would be up to Conservative Capital to finance its portion of the rights that were allocated to it.

family net worth is today?

A My family net worth is in excess, I guess, of several millions of dollars.

Q Is that all as a result of your efforts as a financier and venture capitalist?

A ~~I would say most of it, yes.~~ 1446A

Q As a matter of fact, your very first job after getting out of the Merchant Marine was in Wall Street, was it not?

A Yes, sir.

Q And there you worked for Val Alstyne, Noel?

A That's correct, sir.

Q A member house?

A Yes, sir.

Q Is that during the period in which you were taking courses at night at the Institute of Finance?

A Yes, sir.

Q And how long were you with Van Alstyne and Noel?

A Approximately four to five years.

Q And you left there at about 1950?

A That's correct, sir.

Q And at that point you formed another firm, or you participated in the formation of another member firm, did you not?

1447A

A Yes; I did, sir.

Q That was with a gentleman named Edward Elliott?

A That's correct, sir.

Q And what was the name of that firm?

A Elliott & Company.

Q And what was the business of that firm?

A We were members of all the exchanges. We were primarily in the venture capital business, but Mr. Elliott's training was as a mining engineer.

Q During that period did you own a percentage of that firm?

A I owned 33-1/3 per cent of it.

Q And did you buy that interest in Mr. Elliott's member firm?

A Mr. Elliott gave me that interest for coming there.

Q Because of the confidence he had in your ability as a financier and venture capitalist; is that correct?

A Well -- yes.

Q And during that period you were with Mr. Elliott in Elliott & Company?

A That's correct, sir.

Q And did you finance any new ventures?

A Basically, we financed quite a few ventures, but

1448A

not -- on a private basis. We just used our seat on the exchanges only as an agency basis.

Q Now, as I understand it, Mr. Elliott died in 1954; is that correct?

A Yes, sir. That's correct.

Q And what did you do then?

A I formed a firm called RCP Capital Corporation, and I bought out W. W. Schroeder & Co., which was an old-line over-the-counter firm, and I bought a seat on the American Stock Exchange, and I formed my own investment firm and my own stock exchange firm.

Q And what was the business of that firm, apart from brokerage?

A Well, venture capital and unewrwritings.

Q Did you ever hear of a company called Capitol City Television?

A Yes, sir.

Q What was your connection with that company?

A I primarily financed that company, along with a group of other people.

Q What was its initial capitalization?

A $1 million.

Q And is that company now listed on the New York Stock Exchange?

1449A

A Yes, sir.

Q And what is its present capialization?

A $400 million to $500 000.

Q The company that you formed with $1 million capitalization now has a capitalization of $400 million to $500 million?

A We formed it as a syndicate; yes, sir.

Q Did you ever hear of a company called Occidental Petroleum?

A Yes; I did.

Q When did You first hear of that company?

A After I formed the Pistell and Schroeder firm.

Q What was your connection with that firm?

A I helped Dr. Hammer do a distribution of his stock, when there was a million shares of the company outstanding, selling at fifty cents.

Q So initially you participated with Dr. Armand Hammer?

A Yes, sir.

Q -- in the initial financing, public financing of a million shares of that company at fifty cents a share?

A It was initial. It was a shell company at the time.

Q It was a shell company?

A That's correct.

1450A

Q But its initial public offering?

A Well, it was a shell. What it needed was assets, financing.

Q And what it needed was half a million dollars?

A That's about right.

Q And you provided that half a million?

A Well, I helped.

Q You participated with Mr. Hammer in that regard?

A Yes.

Q Is that the same company, the same Dr. Hammer who has just concluded a transaction with the Soviet Union estimated to be worth approximately $8 billion over the next several years?

MR. KUSHNER: Your Honor, I object. That is completely irrelevant.

A That's the New York Times --

THE COURT: Overruled.

Q It is the same Dr. Hammer and the same Occidental Petroleum who the New York Times over the weekend and this morning said had concluded a deal with the Soviet Union that it said was worth $8 billion to the United States over the next several years?

A That's correct, sir.

Q Did you ever hear of a company called Goldfields Corporation?

A Yes, sir.

Q And when did you first hear of that?

A That was a shell company, with a small amount of cash, which I participated in buying a position and eventually became chairman of the board.

Q Was that in or about 1955 or 1956?

A That is correct, sir.

Q When you say "had a small amount of cash", it had a liquid net worth at that point of about $27,000; is that correct?

A That's correct, sir.

Q And you arranged for the financing of that company, did You not?

A Yes, sir.

Q And through that company you then bought control of fifty per cent of Frontier Airlines of Denver, Colorado; isn't that correct?

A That's correct, sir.

Q And after acquiring that control and putting new management in --

MR. FELDMAN: I withdraw that.

Q At the time you acquired control of Frontier Airlines, what were its earnings? 1452A

A It was in a loss position.

Q And how long did it stay in a loss position?

A About one year.

Q And at the end of that year, did it become a profitable company?

A Yes, sir.

Q And what were its earnings after you got --

A Approximately up to about $800,000 or $1 million in earnings.

MR. KUSHNER: Your Honor, may I have a continuing objection to Mr. Feldman's equivalent of "This is your life, Mr. Pistell"? I think it is completely irrelevant to this lawsuit.

THE COURT: I don't agree that it is completely irrelevant, Mr. Kushner.

If there is a lot more of this, Mr. Feldman --

MR. FELDMAN: There is a lot more of it, your Honor. The Commission takes the view that a company is thinly capitalized if it starts with $3 million in preferred stock and the benefit of Mr. Pistell's entrepreneurship. I think it is a kind of crass position for the Commission to take that the only form of capital that you can have in

America today is money and that talent and individual entrepreneurship aren't as much an ingredient of capital as anything else.



I simply want to show that over the years Mr. Pistell, with small amounts of money and thinly capitalized shell corporations in loss positions, brought them to considerable positions of importance in our economy, and I think it is entirely relevant to the issues of the complaint as to whether it was misappropriation of money on the part of a management to invest in Chibex and Venture Capital and other ventures in which in a sense it was investing in Mr. Pistell's talents.

THE COURT: I agree, but if you are going to spend another two hours bringing us down to date with Mr. Pistell, you don't need to, because I think I am pretty close to being fully persuaded of your point.

MR. FELDMAN: Well, I will try to cut it down, your Honor.

MR. KUSHNER: Your Honor, may I just say this:

Once Mr. Feldman opens the door, I feel quite free to go into the eventual outcomes of some or more than some of these companies.

THE COURT: If you wish to do so, of course you may.

MR. FELDMAN: Your Honor, if I can't keep him off the road to Morocco, I certainly can't keep him off the road to Mr. Pistell's life.

Q What was Your position in Goldfields?

A I was chairman of the board.

Q Was it Goldfield that eventually acquired controlling interest in General Baking Corporation?

A Yes, sir.

Q Is that the company that then became known as General Host?

A Yes, sir.

Q What was your position there?

A Chairman of the board.

Q You were chairman of the board of General Host?

A That's correct, sir.

Q And did you at one time obtain control of Armour Corporation?

A We never got working control of the board, but we had 51 per cent of the stock.

Q 51 per cent of the stock of Armour?

A Yes.

Q And what was the capitalization of General Host at the time You resigned as chairman of the board?

A With the debentures, there were 2,500,000 shares

of common stock outstanding with 47,500,000 debentures convertible at 27, making about 1,500,000 shares of stock.

Q And it had 51 per cent of Armour, which at that time had assets of more than $4,500,000?

A It was between $400 million and $500 million.

Q With an annual volume of $2 billion, about?

A That's correct.

Q Now, about 1970, I understand, you became associated with Lincoln American?

A Ut was formerly the Coburn Credit Corporation.

Q What was the business of that company?

A It was in the small-loan finance business.

Q And did it have any other business?

A No. That's about all it had left in it.

T2

Q Had it been in the insurance business?

A No, it had not been in the insurance business.

Q You had previously been in the insurance business, however?

A Yes, I have been in the insurance business.

Q With what company?

A United States Life Insurance Company.

Q What was your position with United States Life?

A Started as a salesman and I ended up assistant manager of the New Jersey office. Then I went in the general agency business in the New York office.

Q In addition to furnishing your investment advice and your investment abilities to the companies I have mentioned have you also been involved with British West Indies Airlines?

A Yes. I am still a director of that.

Q And Getchell Mines?

A Yes.

Q And Tantalum Corporation of Canada?

A Yes. I was chairman of the board of Tantalum Corporation.

Q Were you its chairman during that period of the first important Tantalum strike in North America?

A Yes, I was.

1457A

Q Would you tell us what Tantalum is?

A Tantalum is a metal that melts at a very high degree. It's used in the space agency work and it's also used in electronic work.

Q That company then became a principal source for NASA and the United States Government in its space program, isn't that correct?

A That is correct.

Q Has your financial advice ever been sought by the President of the United States?

A I was appointed as an adviser to the Amtrak Railroad by the President of the United States.

Q Financial adviser?

A That's correct.

Q That is in connection with that Amtrak reorganization of the United States railroad system?

A That is correct.

Q Mr. Pistell, when was that?

A 1970.

Q I believe you testified that you met Mr. Vesco in early 1972, is that correct?

A That is correct, sir.

Q Had you ever known him before you met him in early 1972?

A No, I hadn't, sir.

Q At the time you were introduced to him I believe you said you were introduced to him by Arthur Lipper.

A That's correct, sir.

Q You had already had the background that we have just been talking about in the field of finance, had you not?

b2 A Yes, sir.

Q I believe you testified that your first meetin with Mr. Vesco was a meeting at which you discussed possibilities of the IOS complex, as you put it, investing in Resorts International or buying Paradise Island from Resorts International, is that correct?

A That is correct, sir.

Q Do you recall what Mr. Vesco's position was with IOS when you met him?

A When I first met him I believe he was chairman of the board of the complex.

Q You became aware later on that he is no longer in that position?

A Yes, he informed me of that.

Q Apart from the Resorts International transaction, which you I believe testified that Mr. Vesco

was very active in the negotiation, was he active in any of the other negotiations you had with any of the IOS complex?

A Not really.

Q What do you mean by that? Did he participate in the meetings?

A Not really, no, as far as Chibex is concerned, as far as Venture Capital.

Q As far as Chibex or Venture Capital or how about even San Cristobal?

A No. That was Dr. Meissner really.

Q And IRCO?

A No, he had nothing -- he wasnt even on the island, I don't think, at the time.

Q How about the Moroccan transaction?

A No.

Q He had no real connection with that?

A Not really.

Q So the only transaction that you were involved in involving the IOS complex in which Mr. Vesco was actively involved was the Resorts International transaction?

MR. KUSHNER: Your Honor, I object vigorously. The testimony to Mr. Feldman's questions has been that he

was involved in actively negotiating not at all except for Resorts. All of a sudden Mr. Feldman skips a . . . pregnant negotiation term and says "So that he was not active at all."



It's very misleading. The testimony about San Cristobal is already in the record, your Honor.

THE COURT: I think Mr. Pistell can make the situation clear for us. Overruled.

Q I believe you said --

THE COURT: Was there an answer to that last question?

A Dr. Meissner was the one really came down, went over the cash flow figures, and really did the final negotiation on the San Cristobal.

Q In the case of Vencap your negotiations were principally with Mr. Graze?

A That is correct.

Q In the case of Chibex your negotiations were principally with Mr. Graze?

A That is correct, sir.

* * *

Q In connection with the contemplated Moroccan possibilities your discussions were mostly with Mr. Graze and Mr. Straub?

A Mostly Mr. Straub.

complex with whom you first mentioned the Chibex deal?

A I am not sure of that.

Q Before meeting Mr. Graze had you been working on the Chibex deal on your own?

A Probably three-quarters of a year to a year.

Q Tell us about when you first started working on that.

A Some time in 1971. I felt that the world monetary situation was coming to a rapid disastrous state, that the dollar would have to be devalued, and that the world would turn to gold, and I called Dr. Malouf, who was a long time friend and associate of mine in Canada, and asked him to find me the best marginal property that he could find me in the gold business in case there was a world increase in the price of gold.

Q What did you know about Dr. Malouf at that time?

A Dr. Malouf had helped me bring in the engineer on the Tantalum Corporation property and he was considered one of the finest geologists in the world today.

MR. KUSHNER: Your Honor, could we have the name read back? I didn't hear it.

THE WITNESS: Dr. Stanley Malouf.

MR. KUSHNER: No, sir, the name of the company.

THE WITNESS: Tantalum Corporation.

1463A

Q Then did you commission Dr. Malouf to prepare a feasibility report with respect to a particular mining property?

A No. That report had been done by the company itself. They had done a very small underwriting in Canada. The property had shut in 1959-1960 and the company had done an underwriting to raise the funds to do additional drilling and an additional feasibility study.

Q So at the time you first had your discussion with Mr. Graze, however, you had a report on the Chibex Mining properties that had been prepared by Dr. Malouf?

A For the company, that is right.

Q For Chibex Mining?

A Right.

Q Did you make that report available to Mr. Graze?

A I believe Mr. Graze did get a copy of that report, yes.

Q Is this the report, marked IOS Exhibit O for identification?

A Yes, that is the report.

Q That was the report that was delivered to the IOS complex in connection with the Chibex property?

A That was mailed to London, to Mr. Graze, yes.

1464A

MR. FELDMAN: I will offer it in evidence.

MR. KUSHNER: I object, your Honor. Without Dr. Malouf present to authenticate this report and render his qualifications, I think it's completely inadmissible.

I might recall to your Honor that we had a similar problem, but less aggravated, with the points of account of International Bancorp, and those were excluded from evidence.

MR. LIMAN: Did I hear the testimony that this was given to ICS, a copy was given to Mr. Graze?

THE WITNESS: Yes.

MR. KUSHNER: Your Honor, with all due respect--

MR. LIMAN: I would join in that offer of this document, your Honor. We had this problem at the time that EHG's witness, Gutierrez, came on the stand, and your Honor ruled that material that was given by Mr. Gutierrez to ICS before it made its investment commitment was pertinent, relevant and proper. I don't see the distinction here.

MR. KUSHNER: Your Honor--

THE COURT: I allowed that, as I recall, not necessarily for the truth of everything stated therein, but to show what was submitted, and I will allow this for

the same purpose.

1465A

(Defendant IOS Exhibit O received in evidence.)

BY MR. FELDMAN:

Q After mailing this to Mr. Graze in London did you then have a meeting with him in which you discussed this report now marked Defendant IOS Exhibit O in evidence?

A Well, that was made for the company and Mr. Graze wanted to obtain an independent report and he hired an independent geologist in Canada and had an additional report made.

Q Before we et into that additional report --

MR. KUSHNER: Excuse me for a minute.

Your Honor, I want to state on the record our objection to the admission of this report for any purpose. It seems to us that the only possible purpose it could be offered for is for the trut of the contents. It is impossible to see any other purpose for it.

Q Before we get into another report, Mr. Pistell, did you cause a copy of this report marked Defendant IOS Exhibit O in evidence to be mailed to Mr. Graze in London?

A Yes, sir.

Q Thereafter did you have occasion to have a

discussion with Mr. Graze concerning this report?

A I believe we did discuss the report. I am sure of it. Mr. Graze wanted to get his own independent report.

Q Mr. Graze wanted his own independent report?

A Yes, sir.

Q Had you discussed with Mr. Graze, do you recall, any specific parts of this report?

A I discussed -- yes, I remember that report in great detail.

MR. LIMAN: That is the Malouf report you are talking about?

THE WITNESS: Yes.

MR. FELDMAN: That is the report marked Exhibit O.

Q Did you go through the portion of it marked Summary and Conclusion?

A Yes, sir.

Q When did you go through this with Mr. Graze?

A I believe we went through that in -- some time in 1972. I can't tell you specifically.

Q I believe you testified on direct examination that your discussions with Mr. Graze with respect to Chibex and the formation of Conservative Capital started

some time in April or May of 1972. 1467A

A Yes, that is correct.

Q I think you testified to meeting with him on this matter and with Dr. Malouf in New Jersey. Do you recall that?

A Well, that was a meeting just to say hello to each other, yes.

Q You had already discussed the Chibex property?

A Oh, yes.

Q With Mr. Graze before that meeting in New Jersey?

A That is correct.

Q That meeting in New Jersey, do you recall, was in April of 1972?

A It could have been, yes. I can't remember the specific date.

Q I believe you said that you went with Dr. Maloud by helicopter.

A That's right, because he was on his way to Honduras, if I can remember correctly.

Q Do you recall what the price of gold was in the world market at the time you and Mr. Graze first started discussing the Chibex property?

A About 40, $45 an ounce.

1468A

Q 40 or $45 an ounce?

A Could have been between 35 and 40. I can't remember the exact figure.

Q Do you recall discussing with him any projections for what would happen with this property if the world price of gold were to go up?

A Yes. As a matter of fact, that's why I originally went into the deal, because of the world price of gold, in anticipation of it going up.

Basically, under the Canadian law there is a $40 or was a $40 price for gold under the Mining Act Subsidy Act, and basically I believe if you read this report what it will show is that the property can maintain a cash flow on --

MR. KUSHNER: Your Honor, I will object. The report will speak for itself on this point.

THE WITNESS: Excuse me.

THE COURT: Overruled.

Q Do you recall discussing with Mr. Graze before the meeting with Dr. Malouf the fact that the report stated that with gold at $40 an ounce and copper at 50 cents a pound the mine would show an annual profit of $958,000 if it mined 750 tons per day?

A Yes, sir.

Q Do you recall discussing with Mr. Graze what the mining possibilities were in terms of daily tonnage?

A Yes, sir.

Q Do you recall projecting a figure of 1,800 tons?

A 750 tons per day.

Q That was your maximum?

b4

A That's right.

Q Do you recall discussing with Mr. Graze what the annual profit would be at 750 tons per day if the price of gold went up to $45 an ounce?

A Yes, I did, sir.

THE COURT: 750 tons a day of gold?

THE WITNESS: Per ton. That is ton of ore per day.

Q Based upon the assays contained in the report?

A That is correct, sir.

Q You discussed the fact that with 750 tons of ore a day, gold at $40 and copper at 50 cents a pound --

A Yes, sir.

Q -- you would project a $959,000 annual profit, is that correct?

A That is correct, sir.

Q Then did you review with Mr. Graze what that would result in if gold went to $45 an ounce?

A We had a whole schedule made up, sir.

Q And at $50 an ounce?

A Yes, sir.

Q This again was in or about April of 1972, was it not?

A That's correct, sir.

Q Thereafter you say Mr. Graze wanted his own independent report, is that correct?

A That's correct, sir.

Q Did he retain anyone to obtain an independent report or a review of the Malouf report?

A Yes, sir, he did.

Q Do you recall whom he retained?

A A Mr. Schaaf.

Q Is that R.E. Schaaef?

A Yes, sir.

Q What do you know about Mr. Schaaf's qualifications?

A Mr. Schaaf was formerly the chief geologist for Anaconda Corporation in Canada.

Q Anaconda where?

A Anaconda Corporation of Canada and eastern

United States.

Q Did you agree with Mr. Graze that Mr. Schaaf should be retained to review the Malouf report?

A That was up to him.

Q He did in fact retain Mr. Schaaf, did he not?

A Yes, sir.

Q Did there come a time when you saw a copy of a report --

A Yes, sir.

Q -- that Mr. Schaaf had submitted?

A Yes, sir.

Q Both to you and to Mr. Graze?

A Yes, I did get a copy.

Q I show you this document that has been marked IOS Exhibit P for identification and ask you if that is the document that Mr. Schaaf submitted.

A Yes, sir, it is.

Q That document was transmitted by Mr. Schaaf to Mr. Graze in London with a copy to you, is that correct?

A I believe I did get a copy at some point.

Q I refer you to this letter attached and ask if that refreshes your recollection.

A Right.

Q Calling your attention to the CC RC Pistell.

A Right. 1472A

MR. FELDMAN: I offer this in evidence.

MR. KUSHNER: Your Honor, may I have a few brief questions on voir dire?

THE COURT: Yes.

VOIR DIRE EXAMINATION

BY MR. KUSHNER:

Q Mr. Pistell, you will note that Exhibit 299, the report prepared by Mr. Phelan and Mr. Liard, is dated April 4, 1972, 24 days prior to the date of IOS Exhibit P.

A Right.

Q Did Mr. Graze have this report of April 4th at the time that he asked for the report of April 28th?

A I had that report made myself.

Q You had Exhibit 299 prepared?

A Yes, sir.

Q Had Mr. Graze been the recipient of this April 4th report before he commissioned the April 28th report?

A I can't tell you that. He could have.

Q You don't recall though?

A Not specifically, no, sir.

Q Do you recall discussing this report with him, Exhibit 299?

A I could have.

Q You don't recall that either? 1473A

A Not specifically, no.

MR. KUSHNER: Your Honor, I will object. There is no one here to testify about its contents, who prepared it, and letting it in in this context I don't think will lead to any fair evaluations of what the mining property is about, and that is Mr. Feldman's objective.

MR. FELDMAN: One other question on voir dire, your Honor.

MR. LIMAN: Are we voir diring on 299? According to my records, that is in evidence.

THE COURT: Yes, it is. I understood that he raised 299 in connection with ICS Exhibit P.

MR. KUSHNER: P, your Honor.

MR. LIMAN: It's P that is being offered now?

MR. FELDMAN: Right.

BY MR. FELDMAN:

Q Did there come a time, Mr. Pistell, when you and Mr. Graze actually sat down and reviewed the Schaaf report, which is marked Exhibit P for identification?

A I believe we did, yes.

1474A

Q You looked at some of the charts in here?

A Yes, and also the certifications in there.

Q By the certifications you mean his projections?

A No, no.

This may help both of you out.

Q Pointing to the so-called qualifying statement?

A Yes.

Q Contained in Exhibit P?

A Yes.

Q You had a discussion of that statement specifically with Mr. Graze?

A Yes.

MR. LIMAN: Your Honor, this is P and this is O.

THE COURT: Are these copies that I can keep?

MR. LIMAN: Yes. I will ask Mr. Feldman to make copies for me.

MR. FELDMAN: Yes, I will. The court set does not include some of these charts, your Honor. They are long and difficult to reproduce.

Q At the time--

THE COURT: Are you still on voir dire, Mr. Feldman?

Q You say you did discuss this report specifically with Mr. Graze?

A Yes.

Q And the contents of it?

A Yes. 1475A

Q And the projections of it?

A Yes.

MR. FELDMAN: I offer it, your Honor.

THE COURT: I will receive it in the same manner as IOS Exhibit O.

MR. KUSHNER: Your Honor, I note that the copy that we received doesn't have copies of the maps which appear at the end of the report. Not having had a chance to study them, I have no idea of their contents. Needless to say, our objection extends to those too.

(Defendant IOS Exhibit P received in evidence.)

BY MR. FELDMAN:

Q You do recall discussing this report with Mr. Graze?

A Yes.

Q Do you recall reviewing with him the so-called profit analysis that is included in this document marked IOS Exhibit P in evidence, Profit Analysis III?

A Yes.

Q There are several analyses in this report. Did you discuss with him Profit Analysis I, with respect

1476A

to composite ore reserves?

A Yes, I did.

Q Did you discuss Profit Analysis II?

A Right.

Q And Profit Analysis III?

A Yes.

Q On the basis of Profit Analysis III, income was projected for gold at 40 and at $50 an ounce, was it not?

A That's correct.

Q It was not projected beyond $50?

A Yes, there is a schedule up to $70.

Q Not in this document.

A It's in one of them.

Q There came a time, did there not, when you asked Mr. Malouf to recompute Mr. Schaaf's figures based upon 60 and $70 an ounce, do you recall that?

A Those are our own mining staff figures.

Q Those are your own mining staff figures?

A Right. We now have our own mining staff.

Q So you now asked that this be recomputed on the basis of 60 and $70 an ounce, is that correct?

A That's correct.

Q Why did you do that?

1477A

A Because gold and bullion was continuing to rise and I could see that it was going a lot higher than $50 an ounce a lot quicker than I thought.

Q Did you eventually get a recomputation of the chart contained in Exhibit P designated Profit Analysis III prepared by your own mining staff?

A Yes, I did, sir.

Q Is this the document you received from Dr. Malouf?

A May I say that one was made up by our own staff, that Dr. Maloud originally did the Chibex job as an independent geologist, and these figues are all made up of -- Dr. Malouf is really just on our board of directors and helping me out during the organization status.

Q So that that chart attached to a letter that has been designated Defendant IOS Exhibit C for identification --

A Right.

Q -- was prepared by the Chibex Mining Corporation's staff?

A Right.

Q And reviewed for you by Mr. Malouf and transmitted to you?

A That's correct.

Q And do you recall showing that to Mr. Graze?

A I am sure he received this in the mail if I didn't give it to him.

Q Do you recall a specific discussion of it?

A Not really, no.

Q Do you recognize Mr. Graze's handwriting?

A Not really.

Q But this document, the letter with the document attached was prepared to review the probability of the profitability of the mine with gold at $60 and $70 an ounce?

A That's correct.

MR. KUSHNER: Objection, your Honor. Aside from the fact that there is no one who did the computations

1479A

here, even the foundation that Mr. Graze received it and discussed it with him is lacking.

THE COURT: I thought he stated that it was discussed with him.

MR. KUSHNER: I don't recall that part, your Honor.

THE COURT: It was sent to him.

MR. KUSHNER: Yes, your Honor. Sent to him.

THE WITNESS: We discussed it, too.

THE COURT: In the copy of Exhibit P which has been handed to me, there was inserted this set of tables, the first page of which is the same as the on you are now offering; is that right? I don't know what to do with the rest of it.

MR. FELDMAN: I don't know who offered that set of tables.

THE COURT: Mr. Liman did.

MR. FELDMAN: This does not belong with Exhibit P.

THE COURT: Well, can you return that to Mr. Liman, please?

Was the cover letter from Mr. Malouf to Mr. Pistell sent to Mr. Graze?

MR. FELDMAN: If it will help, your Honor, I will represent to the Court that the original cover letter with

the chart attached comes from the IOS investment file in Chibex Mining.

THE WITNESS: Yes, sir.

THE COURT: All right. I will receive Exhibit K on the same basis as P and O.

(Defendant IOS Exhibit K for identification was received in evidencd.)

xx Q Now, on the basis of $70 an ounce, do you recall what profit you projected for Chibex Mining in or about June of 1972?

A Approximately $2,934,000 a year.

Q As the annual profitability from the mine for Chibex Mining Corporation?

A That's correct, sir.

Q Do you know what the price of gold is now?

A Today it was $39, 75 bid, offered at 91 in London, and the futures market was $100 an ounce.

Q Have you done any projections for the mine based upon current prices?

A No. We are leaving everything at $70 an ounce.

Q For the purposes of projection?

That's correct.

Q Now, you first entered into a purchase agreement with FOF Prop concerning its investment in Chibex on June

6, 1972; is that correct?

1481A

A That is correct, sir.

Q And do you know when that transaction closed?

A I would prefer, if you have the papers there, you can tell me the exact date.

Q Well, I think Mr. Kushner will agree that the papers that are introduced indicate it closed on August 10, 1972.

MR. KUSHNER: If Mr. Feldman has an exhibit in mind, I certainly will agree with him. Off the top of my head, his figure seems correct.

MR. FELDMAN: 285, 286, 284, 283.

THE COURT: If the exhibits show it, there is no need to bring it out again.

Q Did you enter into an agreement on June 6th, and the transaction eventually closed in August; is that correct?

A That is correct, sir.

Q And what went on in the interim? Do you recall?

A Number one, naturally we had to get the clearance of the Quebec Securities Commission.

Q And did you eventually get a clearance from the Quebec Securities Commission?

1482A

A Yes, sir.

Q And that was obtained on or about August 8, 1972?

A I believe so.

Q Is this the document to which you refer, marked Exhibit T for identification?

A Yes. This is so, sir.

Q And then, there was a supplemental letter dated August 9th, was there not, from the Quebec Securities Commission, marked Exhibit S?

A That is correct, sir.

Q Are those the documents that were furnished Chibex in connection with its proposed transaction with Conservative Capital?

A Yes.

MR. FELDMAN: I will offer those.

MR. KUSHNER: Your Honor, what I am doing is just changing exhibit marks. They started out as Vesco exhibits, and now they are IOS exhibits, so now it is difficult to compare them.

No objection.

MR. LIMAN: Can I see that, please.

Q Now, can you explain what your transaction --

THE COURT: What two exhibits are these?

MR. FELDMAN: S and T, your Honor. 1483A

THE COURT: They are received.

(Defendant FOS Exhibits S and T for identification were received in evidence.)

xx

THE COURT: Are you at a breaking point, Mr. Feldman?

MR. FELDMAN: Yes, your Honor.

THE COURT: All right. 10 o'clock tomorrow morning? We will go tomorrow until 3.30.

Is that agreeable to counsel?

MR. KUSHNER: Yes, your Honor.

THE COURT: All right. We will adjourn until 10 o'clock tomorrow morning.

(Adjourned to Tuesday, April 17, 1973, at 10.00 o'clock a.m.)

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